

# Draft Budget 2013/14



**Borough of Queenscliffe**  
Queenscliff & Point Lonsdale, Victoria, Australia

This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2013/2014" a best practice guide for reporting local government budgets in Victoria.

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## Mayor's introduction

It gives me great pleasure to present this Budget to the community of the Borough of Queenscliffe.

Council has continued to be challenged with balancing the operational needs of the community and our obligations, with the ongoing requirement to fund the renewal and upgrade of Council assets. The Council Plan commitment to minimise rate increases also continues to be a challenge for the Borough and while rates remain the primary source of funding, Council is committed to increasing other revenue sources and ensuring that our assets achieve positive returns.

The rate increase proposed for the 2013/14 financial year is 4.5%. This budgeted increase in rates revenue will generate funds for a number of new initiatives as well as providing a capital works program primarily directed towards the renewal of the Borough's infrastructure.

The rate increase has been kept in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year, despite a number of significant budget impacts including a reduction in Victoria Grants Commission funding and increases in the levy payable to the Victorian Government for disposal of waste into landfill.

The proposed budget includes \$2,952,100 of new initiatives (this includes significant funding through the State Government's Country Roads & Bridges program). Capital Works projects totalling \$4,376,591 are proposed for 2013/14 though several will depend on successfully securing external funding.

Highlights of the 2013/14 New Initiatives and Capital Works Program include:

- Complete the Queenscliff Recreation Reserve Masterplan (\$1,500,000 which is subject to \$1,000,000 government funding and \$500,000 borrowings);
- Complete a Masterplan and stage 1 development plan for Queenscliff Kindergarten (\$450,000 of which \$300,000 is from government grants and \$75,000 contributed by the Kindergarten);
- Complete a Masterplan for the Botanic Gardens (staged implementation over two years with \$150,000 in 2013/14 funded externally from Government proceeds);
- Complete a Development Plan for the Queenscliff Lighthouse and a plan for the future of the Point Lonsdale Lighthouse Reserve (\$108,000);
- Complete the Ferry to Pier Foreshore Development project (\$300,000);
- Complete the stage 1 construction of the Hesse Street Revitalisation Project (\$109,000);
- Complete the survey and design brief for tender of the Hesse, Wharf and Symonds Streets roundabout in Queenscliff; and construction of a roundabout at the intersection of Admans Street and Point Lonsdale Road (\$774,000 in 2013/14 with further works in 2014/15);
- Complete the stage 1 construction of the Point Lonsdale Foreshore Revitalisation project (\$264,000 including \$40,000 externally funded);
- Complete the Masterplan for the Hesse Street Hub in Queenscliff;
- Complete the Pathways Strategy for Queenscliff and Point Lonsdale (\$35,000);
- Seek funding to develop the Queenscliff sport and recreation precinct project (\$1,500,000 of which \$1,000,000 is from government grant supplemented by \$500,000 borrowings);
- Seek funding to undertake a Development Plan for Fort Queenscliff (\$110,000 sought from State Government);
- Work with Bellarine Railway to upgrade the Queenscliff Historic Railway (\$513,500 externally funded);
- Upgrade the Queenscliff Senior Citizens Centre to incorporate the functions and needs of the Queenscliff Sea Scouts (\$260,000 subject to \$100,000 grant funding);
- Develop a 'Tree Replacement Plan' for the Borough's historic cypress avenues and selected other tree species (\$20,000);
- Review the provision of public toilet facilities in the Borough (\$10,000);
- Work with the Point Lonsdale Surf Life Saving Club and Point Lonsdale Boardriders to plan the development of shared clubroom facilities (\$15,000);
- Produce a concept plan for the future of Golightly Park (\$30,000);
- Seek funding for stage 2 construction of the Point Lonsdale Foreshore Revitalisation project (\$500,000);
- Seek funding for stage 3 construction of the Point Lonsdale Foreshore Revitalisation project (\$278,000).

In summary, the capital works program of \$4,376,591 is funded by \$1,819,000 from external grants, \$95,000 in community contributions, \$823,500 from Council operations, \$1,080,591 from reserves (grant funding received in 2012/13 and carried forward funds from 2012/13), \$491,000 net proceeds from new loans and \$67,500 from asset sales (vehicle trade-ins for annual rollover program). Part of the capital works program is dependent on the success of funding submissions to the Federal and State Government and reflect the Council's continuing efforts to maximise grants and minimise the financial demands on ratepayers.

This budget has been developed through a process has that included extensive community feedback via the Council Plan Community Survey. It was a valuable process resulting in 281 surveys being completed and assisting the Council in framing priorities for this budget. The budget reflects the Council's five Strategic Objectives and the actions that will make the Borough a better place to live, work and visit.

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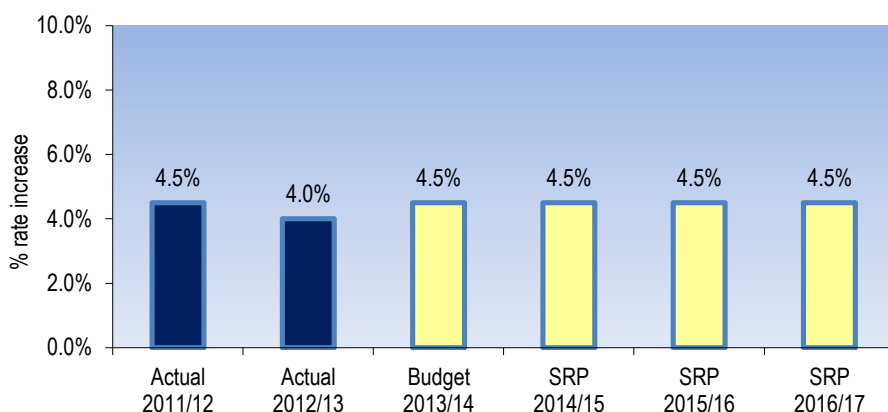
**Cr Helene Cameron**  
**Mayor**

## Chief Executive Officer's summary

Council has prepared its Budget for the 2013/14 financial year which seeks to balance the community's capacity to meet the cost of rate increases with the demand for improved services and facilities, renewal, upgrade and maintenance of infrastructure and continued management of the Borough's natural environment. Importantly, the Council has managed to continue low rate rises in comparison to other Local Government Authorities.

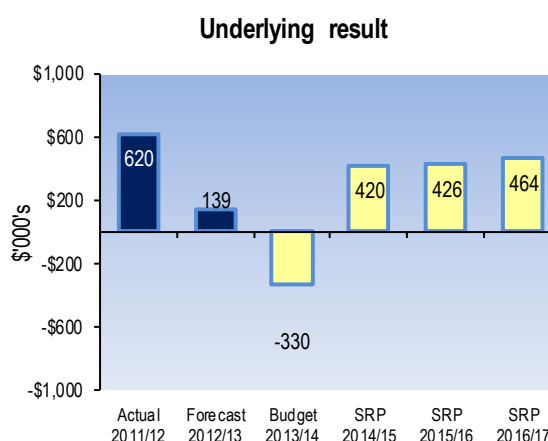
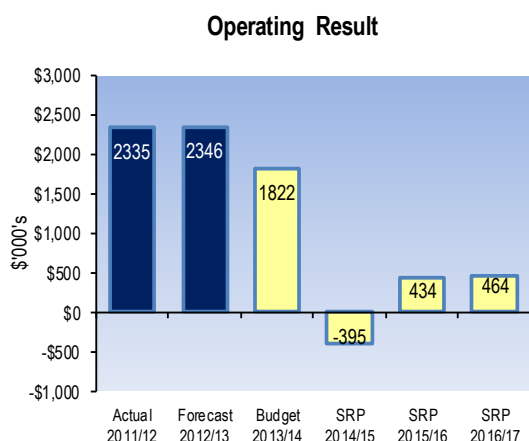
Key budget information is provided below regarding the rate increase, operating result, service provision, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council. In the following graphs "SRP" denotes strategic resource plan estimates (the Council's four year budget).

### 1. Rates



It is proposed that general rates increase by 4.5% for the 2013/14 year, raising total rate revenue of \$5,866,000, including \$10,000 generated from supplementary rates (additional rates for new or improved properties that occur during the 2013/14 year). The 4.5% increase will enable Council to maintain or increase current service levels and to also provide funding for new initiatives and Capital works for both the refurbishment and upgrade of existing assets as well as funding for a variety of new projects around the Borough. This rate increase is in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year. (The rate increase for the 2012/13 year was 4.0%).

### 2. Operating result and underlying result

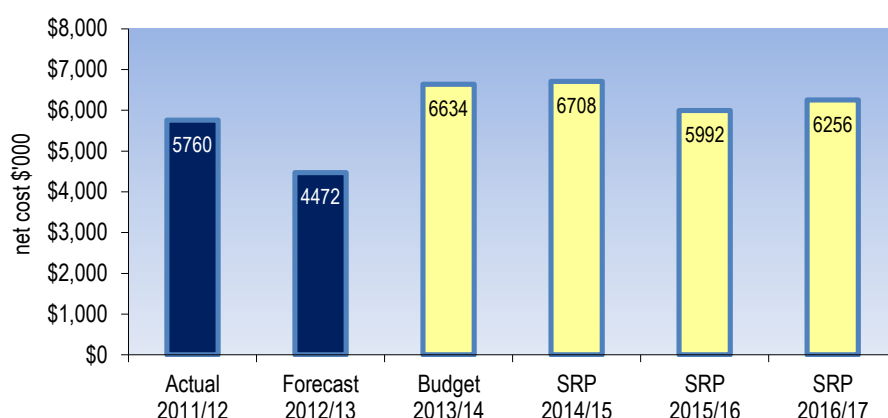


The expected operating result for the 2013/14 year is a surplus of \$1,822,000, which is a decrease of \$524,000 over the 2012/13 forecast result. The operating result is impacted by the receipt of significant funding in 2012/13, including the Country Roads & Bridges Program, which will be undertaken in 2013/14. The underlying result, which excludes items such as capital grants and contributions, is a deficit of (\$330,000). This deficit is offset by underlying surpluses achieved in previous years and funds are held in

reserve accounts on Council's Balance Sheet to fund expenditure in subsequent years. (The forecast operating result for the 2012/13 year is a \$2,346,000 surplus and the forecast underlying result for 2012/13 is a \$139,000 surplus).

A high level Strategic Resource Plan (SRP) for the years 2013/14 to 2016/17 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The SRP projects that Council's operating result will be in surplus for all years except 2014/15, a year in which funding received in the previous year will be expended on the Country Roads & Bridges Program. The underlying result, which is one of the measures of financial sustainability, shows surpluses in all years except 2013/14, which includes expenditure that was funded by grants received in previous years. This is shown as reserves on Council's Balance Sheet.

### 3. Services

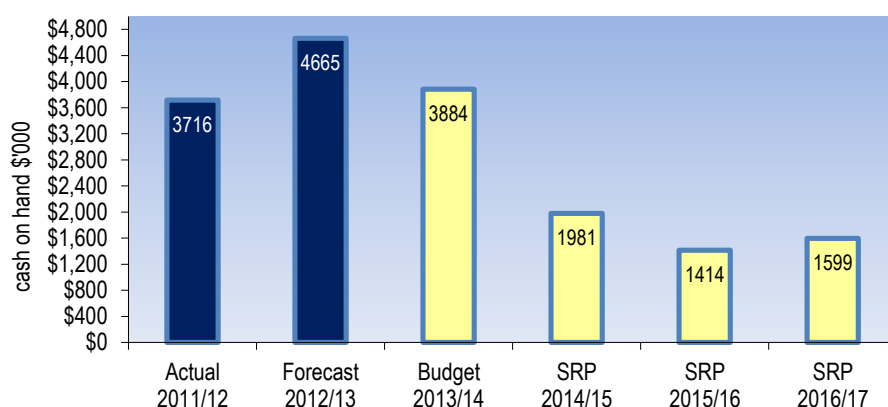


The net cost of services delivered to the community for the 2013/14 year is expected to be \$6,634,000 which is an increase of \$2,162,000 over 2012/13. This increase is due to significant external funding, primarily the Country Roads & Bridges Program.

For the 2013/14 year, service levels have been maintained apart from the set of initiatives to be undertaken.

A key influencing factor in the development of the 2013/14 budget has been the recently released results of the community satisfaction survey conducted by Council. The survey results show that while there is a relatively high level of satisfaction with most services provided by Council, there are some areas of concern where there is a clear message that ratepayers want improved service levels including additional green waste services.

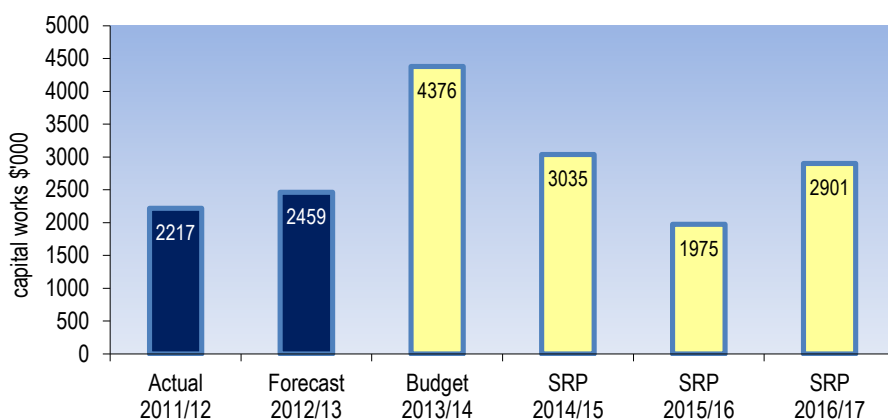
### 4. Cash and investments



Cash and investments are expected to decrease by \$781,000 during the year to \$3,884,000 as at 30 June 2014. This is due mainly to the carried forward component of the 2012/13 capital works program and the

expenditure under the Country Roads & Bridges Program for which funding was received in 2012/13. The reduction in cash and investments is in line with Council's strategic resource plan. (Cash and investments are forecast to be \$4,665,000 as at 30 June 2013).

## 5. Capital works



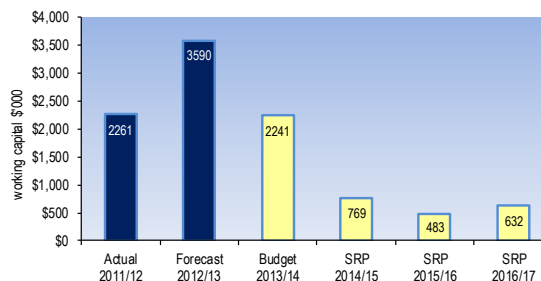
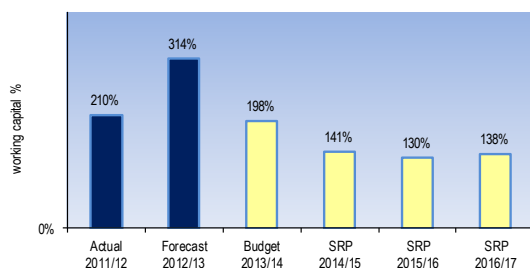
The capital works program for the 2013/14 year is expected to be \$4,376,591 of which \$972,814 relates to projects which will be carried forward from the 2012/13 year. The carried forward component is fully funded from the 2012/13 budget and external funding expected to be received by 30 June 2013.

Of the \$4,376,591 of capital funding required, \$1,819,000 will be sourced from external grants, \$1,080,591 grant funding received in 2012/13 carried forward into 2013/14, \$823,500 from Council operations, \$491,000 net funds from new borrowings, \$95,000 from community contributions and \$67,500 from asset sales (motor vehicle trade-ins).

The capital expenditure program has been set and prioritised based on a process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes \$1,500,000 for Stage 2 of the Queenscliff Sport & Recreation Precinct Development Plan, \$601,377 for Point Lonsdale foreshore revitalisation and \$552,000 for Council's annual asset renewal program (buildings, infrastructure, vehicles and information technology) – refer to Appendix C for a full schedule of the proposed capital works program (note some projects are subject to successfully obtaining external funding).

The asset renewal program has been increased to \$552,000 in the 2013/14 year. A significant influence on Council's capital works program and asset renewals, particularly road assets, has been the allocation of \$1,000,000 per annum through VicRoads' Country Roads & Bridges Program. \$1,373,000 of this program will be for capital works projects and the balance of \$2,627,000 will be expended on VicRoads assets.

## 6. Working capital ratio (adjusted for long service leave current provision)



Current assets less current liabilities (working capital position) will reduce by \$1,349,000, to net current assets of \$2,241,000 at 30 June 2014, as cash reserves are used to complete projects carried over from 2012/13 and to fund the 2013/14 capital works program. (The ratio will reduce from 314% in the 2012/13 forecast to 198% at the end of the 2013/14 year).

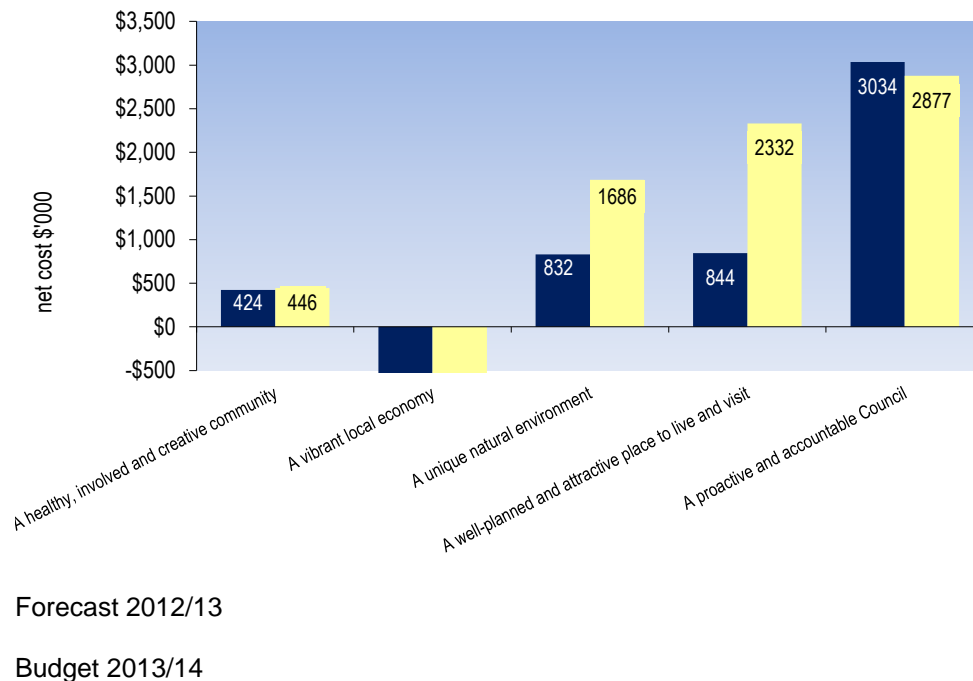
The Working Capital ratio depicted above has been adjusted by removing the Long Service Leave (LSL) provision from current liabilities. This calculation more accurately indicates the liquidity position of Council on



the basis that full LSL payout is not likely to be required within the next 12 months (Note the treatment of LSL provision as a current rather than a non-current liability is the result of changes to Accounting Standards in recent years. It should also be noted that the Auditor-General requires this adjusted ratio to be reported in Annual Reports). A target of 100% ensures sufficient assets to cover short term liabilities.

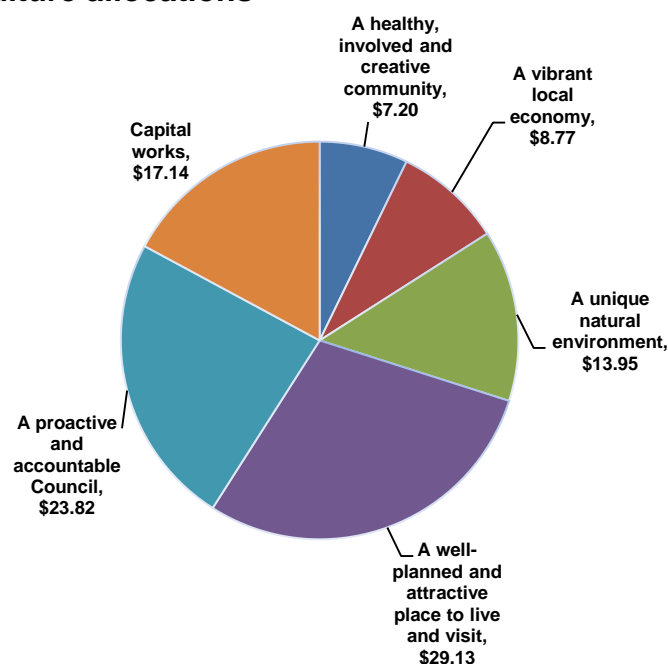
Whilst the cash balance and the working capital position is in excess of the 100% minimum target, it should be noted that an amount of accumulated cash has been reserved for specific purposes (eg: asset replacement reserve) and is therefore not available for general operations (refer to Section 7.1.3 for details).

## 7. Strategic objectives



The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2013/14 year.

## 8. Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends (excluding revenue from State and Federal Government sources).

This budget has been developed through a process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

A handwritten signature in black ink, appearing to read 'Lenny Jenner', with a large circular flourish at the start.

**Lenny Jenner**  
**Chief Executive Officer**

## Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act 1989 (the Act) and Local Government (Finance and Reporting) Regulations 2004 (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2013/14 budget, which is included in this report, is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2014 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Accounting Standards. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections during November and December. The preparation of the budget, within this longer term context, begins with Officers preparing the operating and capital components of the annual budget during December and January. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings and workshops during the period January through April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including presentation of the draft budget at public information sessions. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers update Council's long term financial projections	November – December
2. Officers prepare operating and capital budgets	December – January
3. Councillors consider draft budgets at informal briefings	January – April
4. Proposed budget submitted to Council for approval	April
5. Public notice advising intention to adopt budget	May
6. Budget available for public inspection and comment	May
7. Public submission process undertaken	May
8. Submissions period closes (28 days)	May
9. Submissions considered by Council/Committee	June
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	August
12. Revised budget where a material change has arisen	September – June

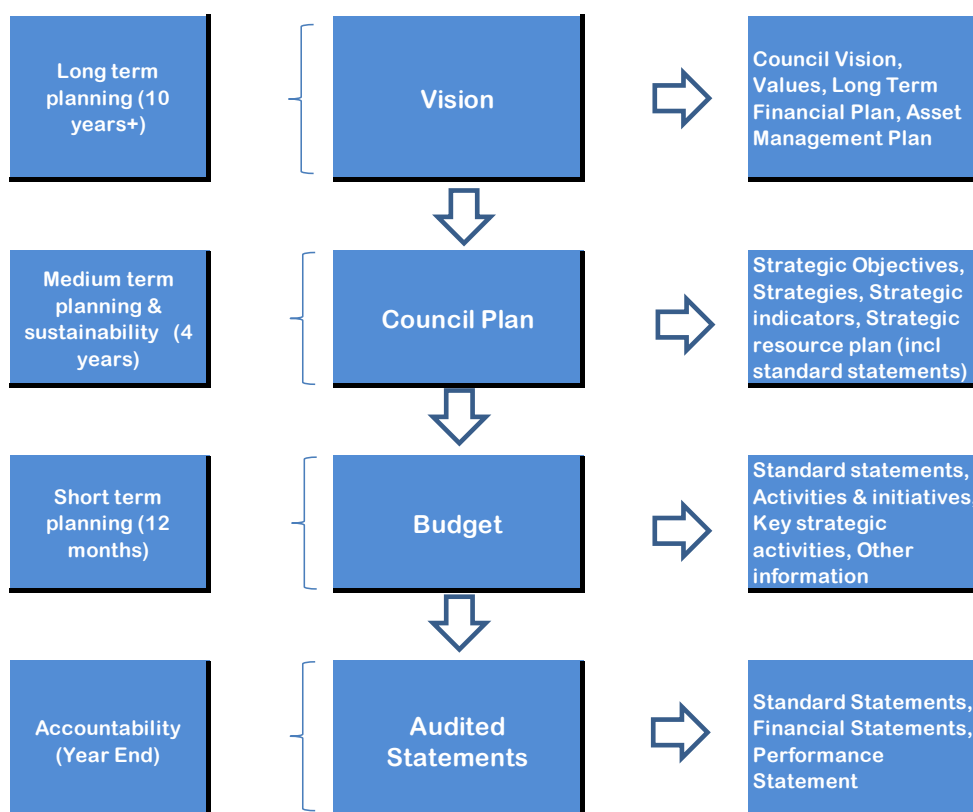
# Overview

## 1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

### 1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year to ensure that there is sufficient time for officers to develop their Activities and Initiatives and Key Strategic Activities in draft form prior to the commencement of the Annual Budget process. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.

## 1.2 Our purpose

### Council's vision

A vibrant, safe and welcoming community that draws inspiration and life from our heritage, unique environment and connection to the sea.

### Our Values

The values below guide our behaviour and help us achieve our vision.

<b>Community</b>	Strongly connected to, greatly interested in and responsible to the Borough community
<b>Collaboration</b>	Respecting and working effectively with those around us
<b>Professionalism</b>	Motivated to improve what we do and how we do it
<b>Accountability</b>	Being open and transparent in our decision making and reporting
<b>Balance</b>	Fostering a productive, flexible and family-friendly environment
<b>Heritage</b>	Drawing on our history to shape our future
<b>Environment</b>	Living sustainably and protecting our diverse natural environment

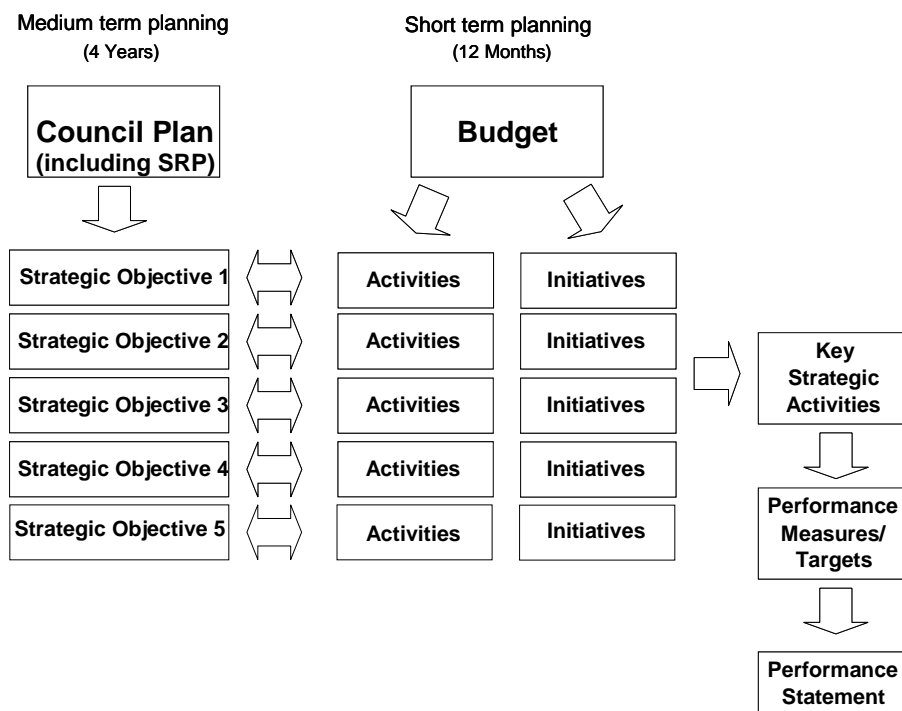
## 1.3 Strategic objectives

Council delivers activities and initiatives under 29 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2013-2017. The following table lists the five Strategic Objectives as described in the Council Plan and the Portfolio to which they relate to.

	<b>Strategic Objective</b>	<b>Portfolio</b>
1	A healthy, involved and creative community	Community Wellbeing and Amenity
2	A vibrant local economy	Local Economy
3	A unique natural environment	Sustainability and Local Environment
4	A well-planned and attractive place to live and visit	Planning, Heritage, Arts and Culture
5	A proactive and accountable Council	Governance and Finance

## 2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2013/14 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan is shown below.



## 2.1 Strategic Objective 1 – A healthy, involved and creative community

To achieve our objective of a healthy, involved and creative community, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Aged and Disabled Services	This service provides a range of services for the aged and disabled including home care, personal care and respite care, home maintenance and senior citizens centre.	637 (450) <b>187</b>
Community Development	Council's role in Community Development is to assist the different Borough Communities to join together to enhance social health and wellbeing of all the communities within the Borough. In particular, the Community Development program area is responsible for leading the development and implementation of policies and projects that support social inclusion, access and equity within the Borough.	135 (5) <b>130</b>
Events	Council works with local community organisations and clubs to plan and implement events that contribute to the health and wellbeing and build on the social fabric of the Borough community. Council's role in events can cover: leading, facilitating, supporting or permit administration, depending on the nature of the event and the level of community responsibility for the specific event.	74 0 <b>74</b>
Maternal and Child Health	Maternal and child health services are externally provided by Bellarine Health Care and funded by Council grant income.	60 (49) <b>11</b>
Kindergarten	Council receives external grant funding to support the Kindergarten planning activities.	10 (10) <b>0</b>
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and smoke free dining venues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	87 (43) <b>44</b>
<b>TOTAL</b>	<b>Expenditure</b>	<b>1,003</b>
	<b>(Revenue)</b>	<b>(557)</b>
	<b>Net Cost</b>	<b>446</b>

## Initiatives

- Administer a community grants and sponsorship program to support local clubs and community organisations
- Conduct public events that recognise the contribution of volunteers
- Support local organisations plan and implement community recreation, sport, and civic activities and events
- Produce and implement the Borough of Queenscliffe Municipal Health & Wellbeing Plan 2013-2017
- Provide an accredited, responsive aged and disability support service with a 'zero waiting' list
- Ensure statutory obligations with respect to the Food Act 1984 and Public Health & Wellbeing Act 2008 are met
- Establish a joint use agreement and shared facility management arrangements between Queenscliff Senior Citizens and Queenscliff Sea Scouts

## Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Production of the Borough of Queenscliffe Municipal Health & Wellbeing Plan	Municipal Health & Wellbeing Plan produced, endorsed by Council and submitted to Minister for Health	Municipal Health & Wellbeing Plan submitted to Minister for Health by 27 October 2013
Joint use agreement and shared facility management arrangements between Queenscliff Senior Citizens and Queenscliff Sea Scouts	Signed Memorandum of Understanding detailing joint use and shared management arrangements for upgraded community facility.	Signed Memorandum of Understanding completed by 30 September 2013



## 2.2 Strategic Objective 2 – A Vibrant Local Economy

To achieve our objective of a vibrant local economy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

### Activities

Program / Activity	Description	Expenditure (Revenue) (Net Income) \$'000
Caravan parks and boat ramp	This service provides approximately 400 camping sites and associated facilities, which provide the revenue to fund the bulk of Council's foreshore activities. The boat ramp service provides a two lane sheltered access to the region's fishing grounds.	865
		(1,812)
		<b>(947)</b>
Visitor information centre	This service provides a state accredited tourist information service year round. Professional and friendly advice from paid and volunteer staff ensure that visitors have a positive experience in the seaside townships of Queenscliff and Point Lonsdale.	166
		(11)
		<b>155</b>
Tourism promotion	This service is integrated with the activities of Geelong Otway Tourism, Bellarine Peninsula Tourism and the local Queenscliff Lonsdale Business and Tourism Association. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and visitors who choose to stay in the Borough.	191
		(106)
		<b>85</b>
<b>TOTAL</b>	<b>Expenditure</b>	<b>1,222</b>
	<b>(Revenue)</b>	<b>(1,929)</b>
	<b>Net Cost</b>	<b>(707)</b>

### Initiatives

- Maintain the accreditation of the Visitor Information Centre service;
- Actively engage volunteers in the delivery of Visitor Information Centre services;
- Improve the level of Council, community, business and visitor information available through Council's electronic media;
- Work with local, regional and state tourism organisations to increase the profile of tourism products and services in the Borough;
- Facilitate local businesses access to information and professional development opportunities;
- Support local organisations to effectively plan and promote major public participation events in the Borough;
- Support the Queenscliff Lonsdale Business & Tourism Association and local community in conducting the annual 'Kids Busking for the Kids' Royal Children's Hospital fundraising event;
- Work with neighbouring municipalities, G21 and the State Government to develop the G21 Public Transport Plan.

## Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Production of the G21 region Public Transport Plan	G21 Public Transport Plan produced and endorsed by Council	G21 Public Transport Plan completed by 31 January 2014
Increase in Council website visits	Borough of Queenscliffe Council Quarterly Reports on website visits	Increasing number of site visits in comparison to same quarter in the previous year

## 2.3 Strategic Objective 3 – A unique natural environment

To achieve our objective of a unique and natural environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Sustainability and environment	This program area has carriage of the sustainability policy and facilitates community projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority, as is dealing with Climate Change.	318 (79)
		<b>240</b>
Coastal and environment	This service implements State government coastal management policy and plans and implements environmental projects and works with other services to improve Council's management of Coastal Crown Land.	1,030 (163)
		<b>867</b>
Waste disposal	This service includes regular bin based collection of garbage and recycling as well as a cyclic hard rubbish collection and e-waste. Council also works with the Barwon Region Waste Management Group to increase community awareness and promote behaviours that minimise waste and increase recycling.	595 (15)
		<b>579</b>
<b>TOTAL</b>	<b>Expenditure</b>	<b>1,943</b>
	<b>(Revenue)</b>	<b>(256)</b>
	<b>Net Cost</b>	<b>1,686</b>

### Initiatives

- Collaborate with local and regional organisations to implement weed reduction programs;
- Support local organisations and volunteers undertaking projects designed to protect and enhance the natural environment;
- Develop and implement a tree planting program that reflects the character of Queenscliff and Point Lonsdale;

- Work with local and regional organisations and neighbouring Councils to reduce waste and promote recycling in the Borough and enhance the green waste disposal capacity of the region;
- Implement the Council's Corporate Carbon Neutral Action Plan;
- Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan;
- Actively participate in the Geelong Queenscliff Coastal Mapping Project;
- Work towards the development of a network of connected walking and cycling routes.

#### Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan	Community organisations (including residents, schools, businesses and community groups) participating in the Community Carbon Neutral campaign	Greater than 10 community organisations signed up to and participating in the Community Carbon Neutral Campaign by 30 June 2014
Tree planting in local neighbourhood streets	Tree planting activity involving community and Council in local neighbourhoods	Tree planting program completed in two streets in the Borough by 31 May 2014

## 2.4 Strategic Objective 4 – A well-planned and attractive place to live and visit

To achieve our objective of a well-planned and attractive place to live and visit, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

#### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Road Maintenance and Works	Provided by an external contractor, this service includes maintenance of local roads, kerb and channel, footpaths and shared use trails, drainage, street cleaning and sweeping, parks and gardens and sports ovals.	2,135 (1,180) <b>955</b>
Engineering	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as build over easement, legal point of discharge, vehicle point of access and infrastructure associated with unit developments.	221 0 <b>221</b>

Planning and Development Control	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors Council's Planning Scheme as well as preparing major policy documents shaping the future of the Borough. It also processes amendments to the Council Planning Scheme and carries out research on demographic, economic and social issues affecting Council.	287 (50)
		<b>237</b>
Local Law Enforcement	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing services including a dog and cat collection service, a lost and found notification service, a registration and administration service, an after hours service and an emergency service. This service also facilitates the smooth flow of traffic and parking throughout the municipality through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	208 (66)
		<b>142</b>
Public Conveniences	Maintenance, cleaning and renewal of 13 public conveniences is required to maintain a level of service acceptable to the general community as well as tourists.	110 0
		<b>110</b>
Street Lighting	Operation, maintenance and renewal plus energy costs associated with the Borough's street lights.	43 0
		<b>43</b>
Powerline Clearance	This is to maintain the legislative clear zones around powerlines to ensure safety and prevention of fire.	77 0
		<b>77</b>
Building Maintenance	This service prepares long term maintenance management programs for Council's buildings in an integrated and prioritised manner in order to optimise their strategic value and service potential.	549 (400)
		<b>149</b>
Heritage Assets	Advice is provided via an external contractor regarding Council's heritage assets, in order to maintain the Borough's heritage values.	65 (14)
		<b>51</b>
Building Control	This service provides statutory building services to the Council community including processing of siting variation consent, emergency management responsibilities, building safety inspections/audits and investigations of complaints and illegal works. Provided by way of a part time external contractor.	45 (15)
		<b>30</b>
Library	A public library service is provided in Queenscliff, operated by the Geelong Regional Library Corporation, for which Council contributes to the cost of the service.	242 0
		<b>242</b>

Arts, Recreation and Culture	This service provides a varied ongoing program of arts and cultural events.	76 (0)
		<b>76</b>
<b>TOTAL</b>	<b>Expenditure</b>	<b>4,058</b>
	<b>(Revenue)</b>	<b>(1,725)</b>
	<b>Net Cost</b>	<b>2,332</b>

### Initiatives

- Complete review of the Queenscliffe Planning Scheme and commence statutory amendment process;
- Develop a Heritage Strategy to increase community awareness of and provide direction to the Council regarding the Borough's significant heritage;
- Use Council's Planning Scheme, Policies and Local Laws to protect significant vegetation;
- Implement Council's asset renewal and maintenance program for Council owned and managed community buildings and open space;
- Implement Council's asset renewal and maintenance program for Council infrastructure including roads, paths and drainage;
- Promote and support a range of arts, cultural and reconciliation activities and events.

### Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Council passes a resolution to prepare Queenscliffe Planning Scheme Amendment to incorporate recommendations from Planning Scheme Review.	Statutory amendment process commenced	Planning Scheme Amendment exhibited, community submissions considered and Planning Panel Hearing, if required, completed by 30 June 2014.
Heritage Strategy completed	Heritage Strategy endorsed by Council	Council endorsement of Heritage Strategy by 30 April 2014

## 2.5 Strategic Objective 5 - A proactive and accountable Council

To achieve our objective of being a proactive and accountable Council, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Governance	This relates predominantly to the Mayor and Councillors, also governance items such as the community satisfaction survey and membership of various organisations including the MAV and the G21 alliance.	228 0
		<b>228</b>

Administration	This area includes the Chief Executive Officer, Executive Management Team and associated support which cannot be easily attributed to direct service provision areas.	1,306 (204)
		<b>1,102</b>
Customer Service	Included here is customer and civic services, providing a range of governance, statutory and corporate support services, and acting as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services. Legislative requirements under Privacy and Freedom of Information Acts are also administered here.	250 0
		<b>250</b>
Finance, risk and audit	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, fleet management, insurance and risk management. Depreciation expense for all Council assets is included in this program area. Audit services include those provided by external and internal auditors, insurance auditors and Council's Audit Committee.	1,354 (177)
		<b>1,177</b>
Rates and information technology	This service is responsible for the raising and collection of rates and charges, and the maintenance of property information for both Council and Land Victoria databases. Expenditure related to external provision of both valuation and information technology services is also included.	182 (61)
		<b>120</b>
<b>TOTAL</b>	<b>Expenditure</b>	<b>3,319</b>
	<b>(Revenue)</b>	<b>(442)</b>
	<b>Net Cost</b>	<b>2,877</b>

## Initiatives

- Develop and implement a 'Community Information and Engagement' policy to increase public participation and access to information;
- Establish reference groups to advise Council on major community projects as determined by Council;
- Participate in the annual Local Government Community Satisfaction Survey;
- Minimise municipal rates applied to local sporting clubs that have limited revenue sources;
- Review lease arrangements with organisations occupying Council owned or managed land;
- Establish a Councillor Code of Conduct and ensure that Councillor and staff behaviour complies with the respective Codes of Conduct;
- Build collaborative relationships with local organisations, neighbouring Councils and other levels of Government;
- Ensure adherence to guidelines on prudent management of debt, cash and asset renewal;
- Review Council assets to improve return on investment;
- Produce and forward the Council Plan, Strategic Financial Plan, Performance Statement and Annual Budget to the Minister for Local Government by 31 August 2013;
- Complete an annual review of its Strategic Financial Plan and long term budget as part of its annual Budget preparation process;
- Implement the Fire Services Levy in accordance with legislative requirements;
- Effectively manage public and organisational risk and meet all legislative requirements;

## Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Community Information and Engagement Policy	Community Information and Engagement Policy endorsed by Council	Council endorsement of Community Information and Engagement Policy by 30 September 2013
Councillor Code of Conduct	Councillor Code of Conduct signed by all Councillors and endorsed by Council	Councillor Code of Conduct endorsed by Council before 27 October 2013
Council leases	Percentage of leases up to date	90% of leases up to date by 30 June 2014

## 2.6 Performance Statement

The Key Strategic Activities (KSA), their performance measures and targets (as detailed in the preceding pages, at Sections 2.1 - 2.5) and the results are audited at the end of the year and are included in the Performance Statement as required by section 132 of the Act. The Annual Report for 2013/14 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

## 2.7 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
A healthy, involved and creative community	446	1,003	557
A vibrant local economy	(707)	1,222	1,929
A unique natural environment	1,686	1,943	256
A well-planned and attractive place to live and visit	2,332	4,058	1,725
A proactive and accountable Council	2,877	3,319	442
<b>Total activities and initiatives</b>	<b>6,634</b>	<b>11,543</b>	<b>4,909</b>
Other non-attributable	(21)		
<b>Deficit before funding sources</b>	<b>6,613</b>		
<b>Funding sources</b>			
Rates and charges	5,866		
Capital grants and contributions	2,590		
<b>Total funding sources</b>	<b>8,456</b>		
<b>Surplus for the year</b>	<b>1,843</b>		



### **3. Budget influences**

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

#### **3.1 Snapshot of the Borough of Queenscliffe**

The Borough of Queenscliffe is located to the south of Melbourne on the south eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres all of which is essentially coastal land.

The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only Local Government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990's.

##### **Population**

The estimated population as at June 30th 2010 was 3314 which is a slight increase from the census of 2006. It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non permanent ownership of property. (Source: Australian Bureau of Statistics, Estimated Resident Population).

##### **Ageing population**

In 2010 the population over the age of 64 was 33% against a Victorian average of 13.7%. The Borough's population aged over 64 years is estimated to be 40% in 2016 and 45% by 2031. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services. (Source: Australian Bureau of Statistics, Census of Population and Housing).

##### **Births**

Despite an ageing population, an average of 27 babies have been born each year since 2007. In the 2011/12 financial year 28 babies were born in the municipality. (Source: Maternal and Child Health database).

##### **Cultural diversity**

Of the total population, 83% were born in Australia. Of those residents born overseas, 47% come from the United Kingdom. (Source: Australian Bureau of Statistics, Census of Population and Housing).

##### **Housing**

The Census population of the Borough of Queenscliffe in 2011 was 2,999, living in 2,777 dwellings with an average household size of 1.08 compared with the average household size of 1.40 in regional Victoria.

Property values in the Borough are generally high with the top quartile averaging over \$1M. The overall median house price increased from \$625,000 in 2010 to \$669,000 currently. Source: Opteon (Victoria) Pty Ltd - January 2012 revaluation of all properties in the Borough.

##### **Education and occupation**

The percentage of residents aged 15 and over who have post-school qualifications is 60.2%. (Source: Australian Bureau of Statistics, Census of Population and Housing).

There is an above average proportion (81%) of managers, professionals, associate professionals and intermediate clerical and administrative workers, and a below average number of labourers and other semi-skilled or unskilled workers in the Borough.

The workforce statistics show a high proportion of people not in the workforce (retired) and a below average unemployment level of 3.2% for those actively in the workforce. Of those active in the workforce, 56.8% are in full time employment and 40.8% are working part time. (Source: Australian Bureau of Statistics, Census 2006).



### **Budget implications**

As a result of the Borough's demographic profile there are a number of budget implications in the short and long term as follows:

- Approximately 15% of ratepayers are entitled to the pensioner rebate. The rebate is provided by the State Government and has no impact on the council's finances.
- The relatively compact area of the Borough gives some inherent service advantages as services are being delivered across a compact area. This is unusual in a non Melbourne metropolitan council.
- The Council also has to consider the fact that just outside its border there is a significant resident population at Point Lonsdale which is in the City of Greater Geelong. Council needs to continue to plan its community facilities around the fact that the cohort utilises the services of the Borough.
- A large percentage of land under Council control is in fact Crown Land and therefore is non rateable. Council must be constructive in the way in which it approaches the management of Crown Land to ensure that there are sufficient revenue streams to review and maintain facilities on the various Crown Land reserves.

### **3.2 External influences**

In preparing the 2013/14 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services of 2.2% per annum (ABS release 23 January 2013). State-wide CPI is forecast to be 2.5% for the 2013/14 year (Victorian Budget Papers 2012/13). For the purposes of this budget, inflation of 2.5% has been included.
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2012 was 3.6% (ABS release 16 August 2012). The wages price index in Victoria is projected to be 3.25% per annum in 2013/14 increasing to 3.50% in the subsequent two years (Victorian Budget Papers 2012/13). Council has renegotiated a new Enterprise Bargaining Agreement (EBA) during the 2012/13 year, which took effect from 15 January 2013 and is for a period of three years.
- The 'Local Government Cost Index, which includes all construction activity, including engineering, non-residential and residential is forecast at 3.9% at June 2012 (MAV Local Government Cost Index Report, 2012-13).
- Reduction of \$37,000 in Victoria Grants Commission funding for 2012/13 (with no increase on the current allocation budgeted for the 2013/14 year).
- Receipt of significant government funding, including the Country Roads & Bridges Program of \$1 million per year for a four year period from 2011/12 through 2014/15.
- Increases of 10% (or \$4.84 per tonne) in the levy payable to the State Government upon disposal of waste into landfill (resulting from increases in carbon tax) is resulting in additional waste tipping costs of \$5,720. The levy has increased from \$9 per tonne in 2008/09 to \$53.24 per tonne in 2013/14 (591% increase in 5 years) and has added \$52,300 per annum to Council's costs.
- A new fire levy will apply to all private property owners – including persons and organisations who do not currently pay council rates, such as churches, charities, private schools and RSL's – from 1 July 2013. A number of Council properties will also be subject to the fire levy. Under new legislation, the Fire Services Property Levy Act 2012, introduced as a result of recommendations by the Victorian Bushfires Royal Commission (VBRC), the new State imposed Fire Services Property Levy (FSPL) will be collected by Council on behalf of the State government, to fund the operations of the MFB and CFA. Councils will not be advised of rates until late May/early June therefore not included in the 2013/14 budget.

### **3.3 Internal influences**

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2013/14 Budget. These matters have arisen from events occurring in the 2012/13 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2013/14 year. These matters and their financial impact are set out below:

- The largest internal impact affects operating grants and relates to the Country Roads & Bridges Program. Funding of \$1,000,000 has been prepaid in 2012/13, with works to be undertaken in the 2013/14 year. Further, \$1,600,000 of the \$2,000,000 funding received in 2012/13 is to be allocated to operating expenditure rather than capital works. This is due to the proposed roundabouts at Admans Street / Point Lonsdale Road and Hesse Street / Symonds Street intersections being Vic Roads assets.

The proposed works at these locations fall outside the requirements of the funded Country Roads & Bridges Program, however Council has obtained approval from the Minister for Public Transport and Roads to undertake these works on Vic Roads assets rather than Council assets.

- The Roads, Parks and Reserves Maintenance Services contract was tendered and awarded in the 2012/13 financial year. The costs included in the 2013/14 budget are reflective of Council's contractual commitment. The contract specifications were amended resulting in a lower provisional sum required than in previous years. A provisional sum of \$50,000 (compared to \$90,000 in the previous year) is included for costs which may arise that fall outside of the fixed price components of the contract, and which are difficult to predict. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.
- Matching funds for government grants: an amount of \$50,000 is held in a General Reserve on Council's Balance Sheet for the 2012/13 year, which may be drawn down in future years if required to match government grant opportunities as they arise.
- A provision of \$25,000 is included within the Aged & Disabled Services salary budget to allow for any increase in the levels of personal and respite care that may be required. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.

### **3.4 Budget principles**

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Real savings in expenditure and increases in revenue that result in cash surpluses are directed to the asset renewal reserve
- Any future proceeds from asset sales are directed to either retiring debt; or investing in projects that will generate additional revenue streams; or to attract matching funds from other levels of government
- Borrowings will be used to invest in projects that will generate additional revenue streams; or to attract matching funds from other levels of government.
- Grants to be based on estimated funding levels. Unsuccessful applications will result in the project not – proceeding (unless alternative funding is sourced).
- Capital works projects to be prioritised based on the Asset renewal requirements as determined by the regular review of asset conditions.
- New initiatives (operating items) prioritised based on community input and preparation of business case.
- New revenue sources to be identified where possible.
- Existing fees and charges to be increased in line with CPI or market levels.
- Operating revenues and expenses arising from completed 2012/13 capital projects to be included.
- Service levels to be maintained at 2012/13 levels with the aim to use less resources with an emphasis on innovation and efficiency. The exception is where recurrent or one-off grant funding enables expansion to service delivery.
- Salaries and wages to be increased in line with Enterprise Bargaining Agreement (EBA).
- Construction and material costs adjusted to take into account the Engineering Construction Index.

### **3.5 Long term strategies**

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2013/14 to 2016/17 (section 8.), Rating Information (section 9.) and Other Long Term Strategies (section 10.) including borrowings, infrastructure and service delivery.

## Budget analysis

### 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2013/14 year.

#### 4.1 Budgeted income statement

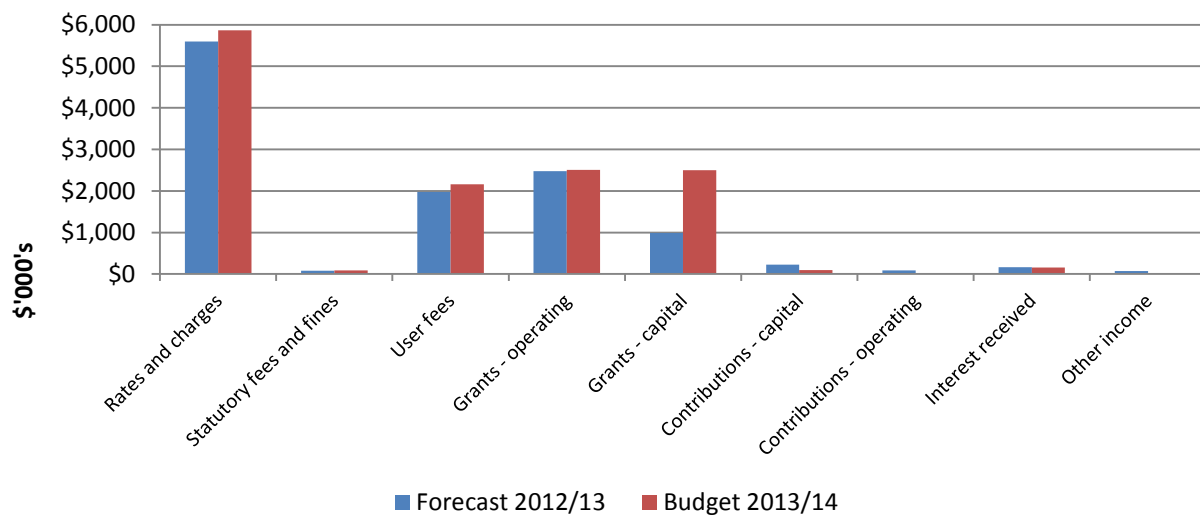
	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Total income	4.2	\$11,651	\$13,365	\$1,714
Total expenses	4.3	(\$9,305)	(\$11,543)	(\$2,238)
<b>Surplus (deficit) for the year</b>		<b>\$2,346</b>	<b>\$1,822</b>	<b>(\$524)</b>
Total non-operating income and expenditure	4.4	\$388	(\$10)	(\$398)
<b>Comprehensive result</b>		<b>\$2,734</b>	<b>\$1,812</b>	<b>(\$922)</b>
<i>Less adjustments:</i>				
Capital grants	4.2.5	(\$987)	(\$2,495)	(\$1,508)
Capital contributions	4.2.6	(\$224)	(\$95)	\$129
Non-operating income and expenditure		(\$388)	\$10	\$398
Grant timing adjustments	4.5	(\$996)	\$438	\$1,434
<b>Underlying surplus (deficit)</b>	4.1.1	<b>\$139</b>	<b>(\$330)</b>	<b>(\$469)</b>

##### 4.1.1 Underlying result (\$469,000 decrease)

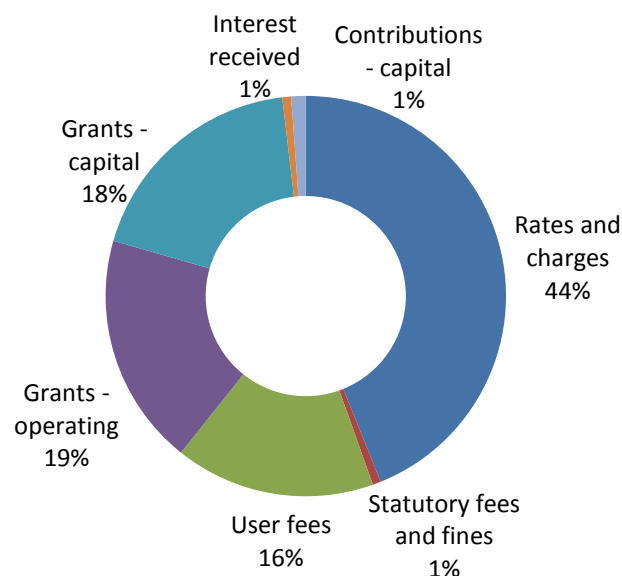
The underlying result is the net surplus/(deficit) for the year adjusted for capital grants, contributions of non-monetary assets, non-operating income and expenditure and timing adjustments in relation to the receipt and subsequent expenditure of operating grant income. The underlying result is a measure of financial sustainability and Council's ability to achieve its service delivery objectives, as it not impacted by non-recurring or once-off items of income and expenses which can often mask the operating result. The underlying result for the 2013/14 year is a deficit of \$330,000 which is a decrease of \$469,000 over the 2012/13 year of \$139,000 underlying surplus. Note Council has funds allocated in previous years, in which surpluses have previously been reported, and these funds are held in a reserve account on the Balance Sheet for expenditure in future years.

#### 4.2 Income

Income Types	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Rates and charges	4.2.1	\$5,592	\$5,866	\$274
Statutory fees and fines	4.2.2	\$78	\$90	\$12
User fees	4.2.3	\$1,977	\$2,158	\$181
Grants - operating	4.2.4	\$2,474	\$2,505	\$29
Grants - capital	4.2.5	\$987	\$2,495	\$1,508
Contributions - capital	4.2.6	\$224	\$95	(\$129)
Contributions - operating	4.2.7	\$87	\$0	(\$87)
Interest received	4.2.8	\$163	\$156	(\$6)
Other income	4.2.9	\$69	\$0	(\$69)
<b>Total income</b>		<b>\$11,651</b>	<b>\$13,365</b>	<b>\$1,714</b>



### Budgeted income 2013/14



#### 4.2.1 Rates and charges (\$274,000 increase)

It is proposed that general rate income be increased by 4.5% or \$274,000 over 2012/13 to \$5,866,000 (based on property classifications as at 24.04.13). Supplementary rates are budgeted to be consistent with the 2012/13 year at \$10,000. Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2013/14.

#### 4.2.2 Statutory fees and fines (\$12,000 increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Health Act registrations and parking fees and fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 15.4% or \$12,000 compared to 2012/13, with additional income budgeted in Town Planning fees and Traffic Enforcement fees.

A detailed listing of statutory fees is included in Appendix D.

#### 4.2.3 User fees (\$181,000 increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the use of council facilities, the provision of aged care services as well as camping and caravan fees. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases reflect CPI increases or market level.

User charges are projected to increase by 9.2% or \$181,000 over 2012/13. The fees from Council's camping and caravan parks contributes the largest portion of the fees and charges budget.

A detailed listing of fees and charges is included in Appendix D.

#### 4.2.4 Grants - operating (\$29,000 increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards asset development costs. Overall, the level of operating grants has increased by 1.2% or \$29,000 compared to 2012/13. Significant movements in grant funding are summarised below:

Grant Funding Types	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Additional funding in the 2012/13 year:</b>			
Country Roads & Bridges prepayment	\$1,626	\$1,000	(\$626)
G21 Tennis Strategy	\$75	\$0	(\$75)
Aged Care Services (personal care, equipment & I.T.)	\$90	\$32	(\$58)
Coastal Tender	\$101	\$76	(\$25)
Sustainability Accord	\$25	\$0	(\$25)
<b>Additional funding in the 2013/14 year:</b>			
Queenscliff Historic Railway Precinct Project	\$0	\$400	\$400
Ferry to Pier Project	\$0	\$125	\$125
Development Plan for Fort Queenscliff	\$0	\$105	\$105
Bulk Changeover Energy Efficient Street Lighting	\$0	\$79	\$79
<b>2011/12 Victoria Grants Commission prepaid in 2010/11</b>	\$98	\$244	\$146
<b>General increases in grant funding for the 2013/14 year</b>	\$459	\$444	
<b>Total Grants - operating</b>	<b>\$2,474</b>	<b>\$2,505</b>	<b>\$29</b>

The largest change in operating grants relates to the Country Roads & Bridges Program. Funding of \$1,000,000 has been prepaid in 2012/13, with works to be undertaken in the 2013/14 year. Further, \$1,600,000 of the \$2,000,000 funding received in 2012/13 is to be allocated to operating expenditure rather than capital works. This is due to the proposed roundabouts at Admans Street / Point Lonsdale Road and Hesse Street / Symonds Street intersections being Vic Roads assets. The proposed works at these locations fall outside the requirements of the funded Country Roads & Bridges Program, however Council has obtained approval from the Minister for Public Transport and Roads to undertake these works on Vic Roads assets rather than Council assets.

Other increases in specific operating grant funding, which reflect projects dependant on receiving external funding in order to proceed, include \$400,000 for the Queenscliff Historic Railway Precinct Project, \$105,000 for the Development Plan for Fort Queenscliff and \$79,000 for the Bulk Changeover to Energy Efficient Street Lighting.

A reduction of \$37,000 in Victorian Grants Commission (VGC) funding is included in the forecast for the 2012/13 year, and this results from changes to the funding formula following a review of the basis of funding by the VGC. This decrease is contrary to the Statewide increase of 3.4% or \$11 million in the \$324 million Commonwealth financial assistance grants paid to Victorian local governments – (Indicative allocation advice received from Victorian Grants Commission). Note the 2013/14 year includes an increase of \$146,000 in

funding over 2012/13, given that VGC funding was prepaid in 2011/12 and therefore less income was received in 2012/13. No prepayment is expected in 2012/13 for the 2013/14 year.

#### 4.2.5 Grants - capital (\$1,508,000 increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by 152.8% or \$1,508,000 compared to 2012/13 due mainly to specific funding for some large capital works projects.

Increases in specific capital grant funding, which reflect projects dependant on receiving external funding in order to proceed, include \$1,000,000 for the Queenscliff Sport & Recreation Precinct Development Plan, \$300,000 for Stage 1 of the Queenscliff Kindergarten and \$100,000 for the Queenscliff Historic Railway Precinct Project.

Other increases in specific capital grant funding, which have been confirmed by government, include \$200,000 for Point Lonsdale Foreshore Revitalisation Stage 1 from the Department of Planning & Community Development (DPCD) Community Works Program and \$125,000 for the Ferry to Pier Project.

Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2013/14 year.

#### 4.2.6 Contributions - capital (\$129,000 decrease)

Contributions relate to monies paid by community groups in regard to the provision of buildings and facilities. Contributions are projected to decrease by 57.6% or \$129,000 compared to 2012/13. A one-off contribution of \$224,000 is forecast to be received in 2012/13 for the Queenscliff Sports Club Enhancement Project. Contributions totalling \$95,000 are budgeted in 2013/14 for Stage 1 of the Queenscliff Kindergarten and the Ferry to Pier Project.

#### 4.2.7 Contributions - operating (\$87,000 decrease)

Contributions relate to monies paid by government agencies and community groups in regard to the operation of buildings and facilities. Contributions are budgeted as \$Nil in 2013/14. One-off contributions totalling \$87,000 are forecast to be received in 2012/13 for the Lighthouse Reserves Development Plan and the G21 Tennis Strategy.

#### 4.2.8 Interest received (\$6,000 decrease)

Interest on investments will be lower in 2013/14 as a result of lower levels of cash being held compared to 2012/13.

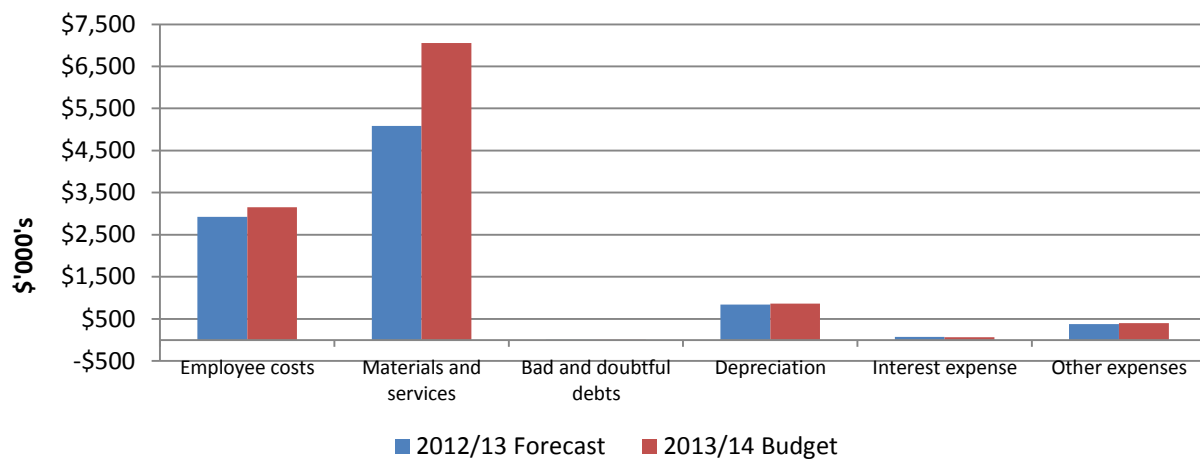
Interest received is forecast to reduce by 3.7% or \$6,000. The 2013/14 cash budget assumes all 2012/13 projects will be completed in line with the forecast Capital Works program, except where funding has been received for programs that extend over more than financial year such as the Country Roads & Bridges Program. Incomplete projects and therefore unspent cash in 2012/13 will carry forward to the 2013/14 year and may improve the position in terms of interest received.

#### 4.2.9 Other income (\$69,000 decrease)

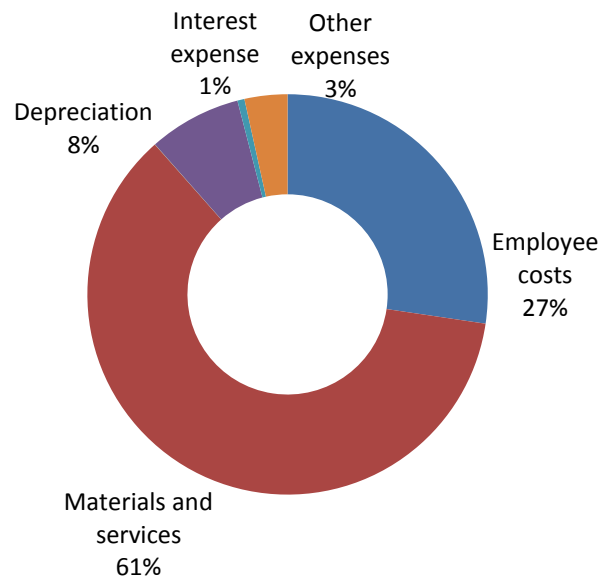
Other income relates to the proceeds from insurance claims lodged in the 2012/13 year. Other income is budgeted as \$Nil in 2013/14.

### 4.3 Expenses

Expense Types	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Employee costs	4.3.1	\$2,925	\$3,156	\$231
Materials and services	4.3.2	\$5,086	\$7,056	\$1,970
Bad and doubtful debts	4.3.3	\$2	\$2	\$0
Depreciation	4.3.4	\$838	\$864	\$26
Interest expense	4.3.5	\$74	\$66	(\$8)
Other expenses	4.3.6	\$380	\$399	\$19
<b>Total expenses</b>		<b>\$9,305</b>	<b>\$11,543</b>	<b>\$2,238</b>



#### Budgeted expenses 2013/14





### 4.3.1 Employee costs (\$231,000 increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs including allowances, leave entitlements, employer superannuation, workcover premium, etc.

Employee costs are forecast to increase by 7.9% or \$231,000 compared to 2012/13. This increase relates to the following key factors:

- Renegotiation of Council's Enterprise Bargaining Agreement (EBA) which took effect from 15 January 2013 for a period of three years.
- 1% increase related to annual increment increases as staff progress through Award bandings.
- \$25,000 contingency included for Aged care services, given the fluctuating and difficult to predict nature of personal and respite care services (which are paid at a higher rate).
- Increase in Superannuation Guarantee Levy from 9% to 9.25% (and increasing to 12% by 2019/20).
- Increase in Fringe Benefits Tax on motor vehicles (now 20%, regardless of kilometres travelled).
- Environmental Health Officer is budgeted as salaries in 2013/14 (was budgeted as a contracted service in 2012/13).
- Increase in hours for the General Manager Corporate & Community Services (from 0.8 to 1.0 EFT), the Finance team (relief provided when staff on annual leave) and Tourism & Community Development.

Note circumstances can sometimes arise whereby staff absences are filled by contracted arrangements, resulting in a reduction in staff costs but a related increase in contractors under materials & services.

In summary, average staff numbers (based on monthly averages) during the budget period are as follows:

Type of employment	Forecast Actual 2012/13 No.	Budget 2013/14 No.	Variance
Number of staff	57.0	58.0	1.0
<b>Equivalent full time (EFTs)</b>	<b>37.9</b>	<b>38.1</b>	<b>0.2</b>
Permanent	50.0	51.0	1.0
Casual	7.0	7.0	0.0
<b>Total number of staff</b>	<b>57.0</b>	<b>58.0</b>	<b>1.0</b>

The above figures include employees under short-term contracts at caravan parks.

The most significant increases in employee costs by service unit are summarised below:

Activity/Program	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance
Governance and administration	\$612	\$678	\$67
Aged care services	\$392	\$419	\$27
Caravan parks	\$255	\$272	\$17
Environmental health	\$36	\$53	\$16
Community development	\$71	\$85	\$13
Finance and rates	\$259	\$270	\$11
Engineering	\$0	\$10	\$10
Other activities/programs (variances < \$10,000 each)	\$1,300	\$1,369	\$69
<b>Total employee benefits</b>	<b>\$2,925</b>	<b>\$3,156</b>	<b>\$231</b>



#### 4.3.2 Materials and services (\$1,970,000 increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 38.7% or \$1,970,000 compared to 2012/13.

The increase in Materials and Services is in part a result of projects funded in the 2012/13 year, with expenditure to be undertaken in 2013/14. Note this funding will be set aside in a carry forward reserve at 30 June 2013. Significant carry forward projects include:

• Country Roads & Bridges Program	\$ 1,174,000
• Point Lonsdale Cliff Stability	\$ 210,000
• Coastal Tender	\$ 74,000
• Review of the Planning Scheme	\$ 65,000
• Significant Tree Register	\$ 50,000

In addition, some projects have been included in the 2013/14 Budget, for which projects are dependant on external funding. If funding is not forthcoming, projects will not proceed (unless alternative funding is sourced). Significant projects within the 2013/14 Budget include:

• Queenscliff Historic Railway Precinct Project	\$ 514,000
• Bulk Changeover to Energy Efficient Street Lighting	\$ 163,000
• Development Plan for Fort Queenscliff	\$ 110,000

External contracts are forecast to increase by 61.4% or \$1,177,000 compared to 2012/13, due to the funded Country Roads & Bridges Program. Details of major items budgeted in 2013/14 for contractors/consultants include:

• Country Roads & Bridges Program (funded)	\$ 1,174,000
• Waste disposal	\$ 411,000
• Public convenience maintenance	\$ 87,000
• Powerline and sundry tree clearance	\$ 77,000
• Weed control & revegetation	\$ 65,000
• Aged Services home maintenance	\$ 60,000
• Maternal and child health	\$ 60,000
• Property valuations	\$ 47,000
• Building inspector	\$ 45,000
• Heritage advisor	\$ 45,000

Utility costs relate to telecommunications, including usage of telephones and other utilities such as water, gas and electricity. Utility costs are forecast to increase by 9.4% or \$28,000 compared to 2012/13.

Significant movements in materials and services are summarised below:

Materials & Services	Forecast		
	Actual	Budget	Variance
	2012/13	2013/14	
	\$'000	\$'000	
Contractors/Consultants	\$1,121	\$1,163	\$42
Contractors/Consultants - non recurrent	\$445	\$90	(\$355)
Donations & Contributions	\$329	\$303	(\$26)
Electricity	\$151	\$166	\$15
Materials	\$463	\$496	\$33
Other expenses	\$31	\$94	\$64
Plans/assessments	\$65	\$0	(\$65)
Repairs & Maintenance	\$1,156	\$1,331	\$175

#### 4.3.3 Bad and doubtful debts (\$Nil movement)

Bad and doubtful debts is projected to remain consistent at \$2,000 and relates to parking fines forwarded to Bartel, Taylor & Associates for collection and a consequent reduction in collection rates.

#### 4.3.4 Depreciation (\$26,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of 3.1% or \$26,000 for 2013/14 is due mainly to the completion of the 2013/14 capital works program and the full year effect of depreciation on the 2012/13 capital works program. Refer to section 6. "Analysis of Capital Budget" for a more detailed analysis of Council's capital works program for the 2013/14 year.

Note a revaluation of Council's Infrastructure assets will occur as part of the 2013/14 year-end process. The results of this revaluation will be included in the audited annual financial report, with the resulting impact on depreciation to be reported in the forecast during the 2013/14 year (the impact is unknown at this stage).

#### 4.3.5 Interest expense (\$8,000 decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs of 10.8% or \$8,000 results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements. Note this amount would have been a larger reduction, however the budget includes planned new borrowings of \$500,000 in 2013/14 and some principal repayment on this new loan is expected to occur prior to 30 June 2014.

#### 4.3.6 Other expenses (\$19,000 increase)

Other expenses relate to a range of unclassified items including mayoral and councillor allowances, audit fees and motor vehicle lease expense. Other expenses are forecast to increase by 5.0% or \$19,000 compared to 2011/12. This is largely due to increased costs of the State government landfill levy and indexation on mayoral and councillor allowances.

### 4.4 Non-operating income and expenditure

	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Net loss on sale of assets	4.4.1	(\$16)	(\$5)	\$11
Share of net losses of associates and joint ventures accounted for by the equity method	4.4.2	(\$5)	(\$5)	\$0
Reduction in unfunded superannuation liability	4.4.3	\$12	\$0	(\$12)
Adjustment to equity - drainage depreciation	4.4.4	(\$27)	\$0	\$27
Recognition of assets for the first time - land	4.4.5	\$424	\$0	(\$424)
<b>Total non-operating income and expenditure</b>		<b>\$388</b>	<b>(\$10)</b>	<b>(\$398)</b>

Items in the above table are included, to arrive at Council's comprehensive result for the year, however they are then adjusted back out to arrive at the Underlying Result, recognising that they are usually one-off activities that do not form part of Council's standard operations.

#### 4.4.1 Net loss on sale of assets (\$11,000 decrease)

Proceeds from the sale of Council assets is forecast to be \$67,500 for 2013/14 and relates to the planned cyclical replacement of part of the vehicle fleet. The written down value of assets sold is forecast to be \$72,500. The budget assumes a net loss of \$5,000 on disposal of motor vehicles, although depreciation charges generally closely reflect asset life and residual value.

#### 4.4.2 Share of net profits/(losses) of associates and joint ventures accounted for by the equity method (\$Nil movement)

This is not known until the end of each financial year, however based on recent experience in the 2011/12 financial year, both the 2012/13 Forecast and 2013/14 Budget include an estimated \$5,000 net loss.

#### 4.4.3 Reduction in unfunded superannuation liability (\$12,000 decrease)

The 2012/13 year includes a one-off adjustment of \$12,000 in recognition of early repayment of the defined benefits superannuation liability and therefore savings in the repayment required. \$Nil budget in 2013/14.

#### 4.4.4 Adjustment to equity – drainage depreciation (\$27,000 decrease)

The 2012/13 year includes a one-off adjustment to drainage depreciation, to reflect correct useful life of each drainage asset, based on knowledge which was not known at the time of the last Infrastructure assets revaluation. \$Nil budget for 2013/14, noting that Council is scheduled to have its Infrastructure assets revalued as part of the 2012/13 year-end process and, once audited results are known, any further adjustments to these assets will be reflected in the forecast for 2013/14 quarterly finance reports.

#### 4.4.5 Recognition of assets for the first time - land (\$424,000 increase)

The 2012/13 year includes a one-off adjustment to recognise a parcel of land for the first time, which was not previously identified in the last building assets revaluation. Note the next building assets revaluation is scheduled to occur during the 2013/14 year, with any further adjustments to be reported as part of the 2013/14 year-end process.

### 4.5 Grant timing adjustments

	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Operating grants received in prior years, now expended in the current year	4.5.1	\$193	\$1,438	\$1,245
Operating grants received in the current year, but not spent by the year-end	4.5.2	(\$1,189)	(\$1,000)	\$189
<b>Total grant timing adjustments</b>		<b>(\$996)</b>	<b>\$438</b>	<b>\$1,434</b>

At each financial year-end, as part of completing the Standard Statements for audit review, officers make an adjustment to “match” grant income, ie. to indicate where grants have been spent but received in previous years and vice-versa. This process enables the “smoothing” of grant funded project expenditure over the years, rather than have some years showing large underlying surpluses and other years with large deficits.

The most significant item impacted with respect to timing adjustments is the large operating grant Council has received, and for which more funding will be received over the next year also, with regards to the funded Country Roads & Bridges Program. Note \$1,000,000 is to be prepaid in 2012/13 for expenditure in 2013/14. Victoria Grants Commission has also in recent times been prepaid to Councils, although advice indicates no further prepayments of this funding are likely and the 2013/14 Budget assumes this advice. Funding of \$190,000 was received in 2010/11 for the Point Lonsdale Cliff Stability project, which is now projected to be undertaken in the 2013/14 year.

### 4.6 Cash / Rates Budget

As part of the budgeting process, the total “rates” budget is prepared on a break-even basis in terms of total income and total expenditure. In the case of budgeted surplus funds, Council may determine that an amount be reserved for future asset replacement, that is, a surplus may be budgeted for in any one year and set aside in a reserve for future years spending.

The 2012/13 Forecast (as per March quarter finance report) indicates an accumulated cash surplus of \$130,000 as at 30 June 2013. The 2013/14 Budget does not provide for this accumulated cash surplus to be allocated to project expenditure, given the 2012/13 forecast cash surplus will not be confirmed until the financial year-end is completed. Decisions regarding the use of any such cash surplus will need to be included in the 2013/14 Forecast once confirmed (to be reported to Council as part of the September 2013 quarter finance report).

The conversion of the Operating (Comprehensive) Result (shown in 4.1 above) to the cash result is shown below. This statement takes the result as calculated on an accrual accounting basis and converts it to a cash result by removing the non-cash items such as depreciation, the share of the library (book entry) and the Written Down Value of assets sold. The non-operating items that affect cash requirements are then added back.

The final adjustment is to record the movements in and out of reserves so that the result indicates the unrestricted or available cash at year end (being that reserves, whilst included in the total cash in the balance sheet, are funds set aside for specific purpose and therefore not available.)

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Operating Result</b>	<b>\$2,346</b>	<b>\$1,822</b>	<b>(\$524)</b>
<b>Adjust for non-cash items:</b>			\$0
Depreciation	\$838	\$864	\$26
Share of net losses of associates and joint ventures accounted for by the equity method	(\$5)	(\$5)	\$0
Written down value of assets sold	\$32	\$73	\$41
Reduction in unfunded superannuation liability	\$12	\$0	(\$12)
Adjustment to equity - drainage depreciation	(\$27)	\$0	\$27
	<b>\$851</b>	<b>\$932</b>	<b>\$80</b>
<b>Adjust for non-operating cash items:</b>			\$0
New borrowings	\$149	\$500	\$351
Loan principal payments	(\$427)	(\$235)	\$192
Capital expenditure	(\$2,459)	(\$4,376)	(\$1,917)
	<b>(\$2,736)</b>	<b>(\$4,111)</b>	<b>(\$1,375)</b>
<b>Total rates cash surplus/(deficit) for the year</b>	<b>\$461</b>	<b>(\$1,357)</b>	<b>(\$1,819)</b>
Transfers to reserves	(\$2,355)	(\$1,676)	\$679
Transfers from reserves	\$1,717	\$3,034	\$1,317
<b>Surplus/(deficit) for the year</b>	<b>(\$176)</b>	<b>\$0</b>	<b>\$175</b>
Accumulated cash brought forward from previous year	\$306	\$130	(\$176)
<b>Accumulated cash surplus at 30 June</b>	<b>\$130</b>	<b>\$130</b>	<b>(\$0)</b>

The statement on the following page shows the income and expenditure in the 2013/14 budget, the cash surplus of \$130,000 forecast for the 2012/13 year (which will not be confirmed until the 2012/13 financial year-end is completed), \$Nil cash surplus budgeted for the 2013/14 year and the resulting accumulated cash surplus of \$130,000 at 30 June 2014.

## Statement of Income and Expenditure - Budget 2013/14

\$'000's

\$'000's

### **Income**

Rates and charges	\$ 5,866
Statutory fees and fines	\$ 90
User Fees	\$ 2,158
Grants - Recurrent	\$ 2,505
Grants - Non-recurrent	\$ 2,495
Community Contributions	\$ 95
Interest received	\$ 156
Other revenue	\$ 0
Borrowings	\$ 500
Proceeds from Asset Sales	\$ 68
Transfers from Reserves	\$ 3,034
	<b>\$ 16,966</b>

### **Expenditure**

Employee benefits	\$ 3,156
Contract payments, materials & services	\$ 7,056
Bad and doubtful debts	\$ 2
Finance costs	\$ 66
Other	\$ 399
Loan Redemption	\$ 235
Capital Expenditure	\$ 4,376
Transfers to Reserves	\$ 1,676
	<b>\$ 16,966</b>

<b>Cash Budget Deficit 2012/13</b>	<b>\$ 0</b>
	<b>\$ 16,966</b>



<b>Accumulated Cash @ 30/06/13</b>	<b>\$ 130</b>
<b>Cash Budget Deficit 2013/14</b>	<b>\$ 0</b>
<b>Accumulated Cash @ 30/06/14</b>	<b>\$ 130</b>

The table at the right confirms the accumulated cash surplus projected as at 30 June 2014 using Balance sheet figures.

This commonly used method ensures that available (unrestricted) surpluses from any rating year and the timing and matching of income and expenditure, that is absent from standard accounting statements, is accounted for in a cumulative sense.

### **Balance Sheet Accumulated Cash Calculation**

	\$'000
<b>Assets</b>	
Cash and cash equivalents	3,884
Trade and other receivables - current	477
Other assets	147
Trade and other receivables - non current	19
	<b>4,526</b>
<b>less Liabilities</b>	
Trade and other payables	1,715
Trust funds and deposits	68
Provisions - current	634
Provisions - non current	46
	<b>2,463</b>
<b>less Reserves (cash-backed)</b>	
Discretionary reserves	1,933
<b>Accumulated Cash Surplus/(Deficit)</b>	<b>130</b>

## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2013/14 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** – Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.
- **Investing activities** – Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.
- **Financing activities** – Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

### 5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Rates and charges		\$5,587	\$5,860	\$273
User fees and fines		\$2,049	\$2,218	\$168
Grants and cash contributions		\$3,772	\$5,095	\$1,323
Interest		\$163	\$156	
Other receipts		\$69	\$0	(\$69)
		<b>\$11,640</b>	<b>\$13,329</b>	<b>\$1,689</b>
<i>Payments</i>				
Supplier payments		(\$4,614)	(\$6,473)	(\$1,859)
Employee benefits		(\$2,899)	(\$3,127)	(\$227)
Other payments		(\$382)	(\$401)	(\$19)
		<b>(\$7,895)</b>	<b>(\$10,001)</b>	<b>(\$2,106)</b>
<b>Net cash provided by operating activities</b>		<b>\$3,745</b>	<b>\$3,328</b>	<b>(\$416)</b>
<b>Cash flows from investing activities</b>	5.1.2			
Proceeds from sale of assets		\$16	\$68	\$52
Payments for property, plant and equipment		(\$2,459)	(\$4,376)	(\$1,917)
<b>Net cash used in investing activities</b>		<b>(\$2,443)</b>	<b>(\$4,309)</b>	<b>(\$1,865)</b>
<b>Cash flows from financing activities</b>	5.1.3			
Interest expense		(\$74)	(\$66)	\$8
Proceeds from borrowings		\$149	\$500	\$351
Repayment of borrowings		(\$427)	(\$235)	\$192
<b>Net cash used in financing activities</b>		<b>(\$352)</b>	<b>\$199</b>	<b>\$551</b>
<b>Net decrease in cash and cash equivalents</b>		<b>\$949</b>	<b>(\$781)</b>	<b>(\$1,730)</b>
Cash and cash equivalents at the beginning of the period		\$3,716	\$4,665	\$949
<b>Cash and cash equivalents at end of the year</b>	5.1.4	<b>\$4,665</b>	<b>\$3,884</b>	<b>(\$781)</b>

Source: Appendix A



### 5.1.1 Operating activities (\$416,000 decrease)

The increase in cash inflows from operating activities is due mainly to a \$1,323,000 net increase in grants to fund the new initiatives and capital works program and a \$273,000 increase in rates and charges expected to be collected (in line with the rate increase of 4.5% and the usual collection rate of 98% being achieved).

The increase in cash outflows from operating activities is due mainly to an increase of \$1,859,000 in supplier payments, reflecting funded projects expected to be carried forward from 2012/13 for completion in 2013/14, as well as a \$227,000 increase in employee costs (refer section 4.3.1 for details regarding employee costs).

The net cash flows from operating activities does not equal the surplus/(deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>\$2,346</b>	<b>\$1,822</b>	<b>(\$524)</b>
Depreciation	\$838	\$864	\$26
Gain/(loss) on sale of assets	(\$16)	(\$5)	\$11
Net movement in current assets and liabilities	\$577	(\$1,364)	(\$1,941)
<b>Cash flows available from operating activities</b>	<b>\$3,745</b>	<b>\$3,328</b>	<b>(\$416)</b>

### 5.1.2 Investing activities (\$1,865,000 decrease)

The large increase in payments for investing activities represents the planned large increase in capital works expenditure disclosed in section 10 of this budget report.

### 5.1.3 Financing activities (\$551,000 increase)

For 2013/14, new borrowings of \$500,000 are budgeted. The total of principal repayments on all Council loans is \$235,000 and interest expense is \$66,000.

### 5.1.4 Cash and cash equivalents at end of the year (\$781,000 decrease)

Overall, total cash and investments is forecast to decrease by \$781,000 to \$3,884,000 as at 30 June 2014, reflecting Council's strategy of using excess cash and investments to enhance existing and create new infrastructure. This is consistent with Council's Strategic Resource Plan (see Section 8). This reduction in cash reserves reflects funding received in 2012/13 to be held in reserve, for completion in the 2013/14 year.

## 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2014 it will have cash and investments of \$3,912,000, which has been restricted as shown in the following table.

		Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
	Ref			
<b>Total cash and investments</b>		<b>\$4,665</b>	<b>\$3,884</b>	<b>(\$780)</b>
Restricted cash and investments				
- Trust funds and deposits	5.2.1	\$68	\$68	\$0
- Discretionary reserves	5.2.2	\$3,291	\$1,933	(\$1,358)
<b>Unrestricted cash and investments</b>	5.2.3	<b>\$1,306</b>	<b>\$1,882</b>	<b>\$577</b>

### 5.2.1 Trust funds and deposits (\$68,000)

This includes monies paid to Council for tender deposits and contract retention etc. They are held as a liability until due to be returned or forfeited.

### 5.2.2 Discretionary reserves (\$1,933,000)

These funds are available for whatever purpose Council decides is their best use. In this case Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2013/14 year \$1,676,000 is budgeted to be transferred to, and \$3,034,000 from, Discretionary Reserves. Of the balance on hand at 30 June 2013, \$1,842,000 is to be expended on funded, incomplete operating projects and \$972,000 is to be expended on incomplete capital works, both of which will be carried forward to the 2013/14 year. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

### 5.2.3 Unrestricted cash and investments (\$1,882,000)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants, contributions or carried forward capital works. However, in terms of available funds not restricted or reserved for specific purpose, Council calculates an accumulated cash amount that eliminates cash flow timing issues and takes into consideration funding that spans more than one financial year. See Section 4.6 Cash/Rates Budget.

It should also be noted that in terms of working capital, a high level of cash is required as 60% of Council's rate revenue is not received until February each year.



## 6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2013/14 year and the sources of funding for the capital budget.

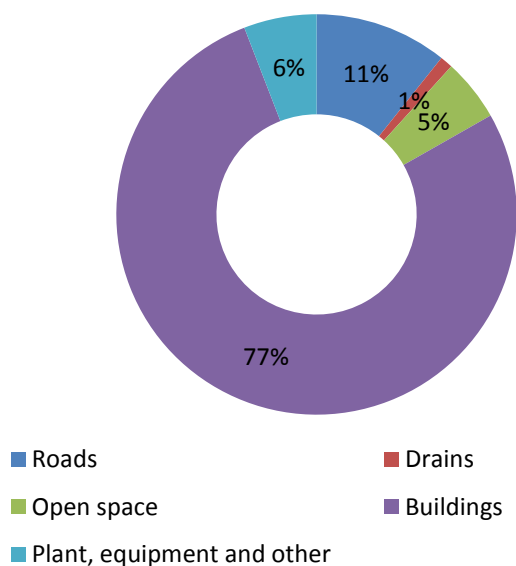
### 6.1 Capital works

Capital Works Areas	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Works carried forward</b>				
Roads	6.1.1	\$884	\$241	(\$643)
Drains	6.1.1	\$37	\$0	(\$37)
Open space	6.1.1	\$112	\$561	\$449
Buildings	6.1.1	\$39	\$160	\$121
Plant, equipment and other	6.1.1	\$24	\$10	(\$14)
<b>Total works carried forward</b>		<b>\$1,096</b>	<b>\$972</b>	<b>(\$124)</b>
<b>New works</b>				
Roads	6.1.2	\$328	\$365	\$37
Drains	6.1.3	\$74	\$35	(\$39)
Open space	6.1.4	\$295	\$171	(\$124)
Buildings	6.1.5	\$461	\$2,633	\$2,172
Plant, equipment and other	6.1.6	\$205	\$200	(\$5)
<b>Total new works</b>		<b>\$1,363</b>	<b>\$3,404</b>	<b>\$2,041</b>
<b>Total capital works</b>		<b>\$2,459</b>	<b>\$4,376</b>	<b>\$1,917</b>
<b>Represented by:</b>				
Asset renewal	6.1.7	\$2,000	\$939	(\$1,061)
New assets	6.1.8	\$334	\$1,912	\$1,578
Asset expansion/upgrade	6.1.9	\$124	\$1,525	\$1,401
<b>Total capital works</b>		<b>\$2,459</b>	<b>\$4,376</b>	<b>\$1,917</b>

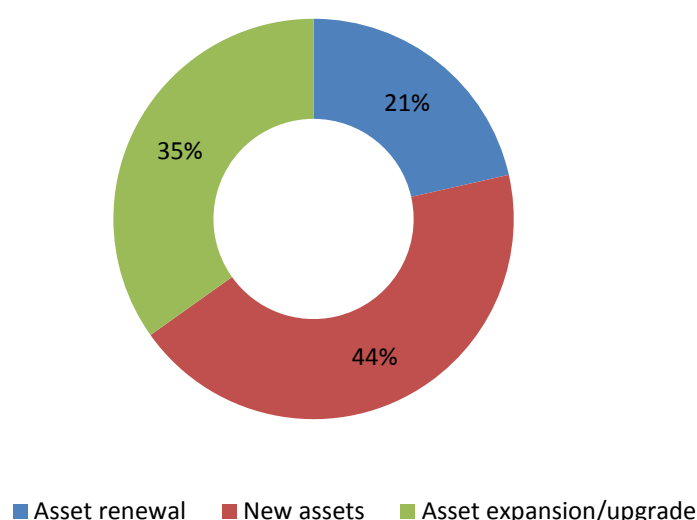
Source: Appendix A.

A more detailed listing of the capital works program is included in Appendix C.

### Budgeted new capital works 2013/14



## Budgeted total capital works 2013/14



### 6.1.1 Carried forward works (\$972,000)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2012/13 year it is forecast that \$972,000 of capital works will be incomplete and be carried forward into the 2013/14 year. The more significant projects include \$224,000 for Point Lonsdale Foreshore Revitalisation Stage 1, \$200,000 for the Country Roads & Bridges Program, \$160,000 for Upgrade of the Queenscliff Senior Citizens Centre, \$109,000 for Hesse Street Revitalisation Stage 1 and \$103,000 for the Queenscliff & Point Lonsdale Lighthouse Reserves Development Plan.

### 6.1.2 Roads (\$365,000)

Roads includes local roads, car parks, footpaths, bike paths, bridges and culverts, declared main roads, traffic devices, street lighting and traffic signals.

For the 2013/14 year, aside from the annual asset renewal program of \$110,000, the Country Roads & Bridges Program has provided funding for \$200,000 of road asset renewal.

### 6.1.3 Drains (\$35,000)

Drains include drains in road reserves, retarding basins and waterways.

For the 2013/14 year, \$35,000 will be expended on the annual renewal program for drainage assets.

### 6.1.4 Open Space (\$171,000)

Open space includes parks and reserves, playing surfaces, streetscapes, playground equipment, irrigation systems, trees and public art.

For the 2013/14 year, significant projects include Point Lonsdale Foreshore Revitalisation and Queenscliff & Point Lonsdale Lighthouse Reserves Development.

### 6.1.5 Buildings (\$2,633,000)

Buildings include community facilities, municipal offices, sports facilities, public conveniences and pavilions.

For the 2013/14 year, significant projects include \$1,500,000 for the Queenscliff Sports & Recreation Precinct, \$260,000 Senior Citizens Centre Upgrade and \$115,000 for the annual asset renewal program.

### 6.1.6 Plant, equipment and other (\$200,000)

Plant, equipment and other includes information technology, motor vehicles and plant.

For the 2013/14 year, \$200,000 will be expended on plant, equipment and other projects. These include ongoing cyclical replacement of the vehicle fleet (\$135,000), upgrade and replacement of information technology (\$42,000) and the annual renewal of other equipment including park furniture and Caravan Park washing machines and driers (\$23,000).

### 6.1.7 Asset renewal (\$939,000)

A distinction is made between expenditure on new assets and expenditure on the renewal and upgrade of existing assets. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade of existing assets but will result in an additional requirement for future operation, maintenance and capital renewal.

Only 21.5% of the capital program for 2013/14 relates to asset renewal, compared with 81.4% in the 2012/13 forecast. This percentage can vary and especially when it comes to projects which are subject to external funding. Aside from the standard annual asset renewal program, which is \$552,000 for 2013/14, other significant projects budgeted within the asset renewal program for 2013/14 include \$200,000 Country Roads & Bridges Program, \$79,000 Hesse Street Revitalisation Stage 1 and \$52,000 Point Lonsdale Foreshore Revitalisation Stage 1.

### 6.1.8 New assets (\$1,912,000)

43.7% of the capital program for 2013/14 relates to new assets, compared with 13.6% in the 2012/13 forecast. This percentage can vary and especially when it comes to projects which are subject to external funding. Significant projects budgeted within the new assets program for 2013/14 include \$900,000 Development of Stage 2 Sport & Recreation Precinct Plan, \$490,000 Point Lonsdale Foreshore Revitalisation Stages 1 & 3, \$180,000 Queenscliff Kindergarten Stage 1, \$150,000 Botanic Gardens and \$108,000 Queenscliff & Point Lonsdale Lighthouse Reserves Development Plan.

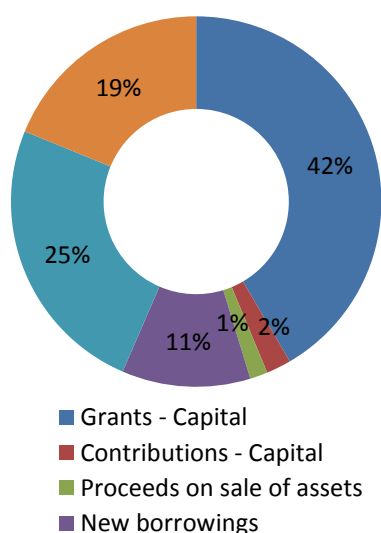
### 6.1.9 Asset expansion/upgrade (\$1,525,000)

34.9% of the capital program for 2013/14 relates to new assets, compared with 5.1% in the 2012/13 forecast. This percentage can vary and especially when it comes to projects which are subject to external funding. Significant projects budgeted within the new assets program for 2013/14 include \$600,000 Development of Stage 2 Sport & Recreation Precinct Plan, \$270,000 Queenscliff Kindergarten Stage 1, \$260,000 Upgrade of Queenscliff Senior Citizens to incorporate Sea Scouts, \$80,000 Electrical Points of Supply to the Queenscliff Recreation Reserve & Victoria Park and \$60,000 Queenscliff Recreation Reserve Masterplan.

## 6.2 Funding sources

Sources of Funding	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>External</b>				
Grants - Capital	6.2.1	\$987	\$1,819	\$832
Contributions - Capital	6.2.2	\$224	\$95	(\$129)
Proceeds on sale of assets	6.2.3	\$16	\$68	\$52
New borrowings	6.2.4	\$149	\$491	\$342
		<b>\$1,375</b>	<b>\$2,473</b>	<b>\$1,097</b>
<b>Internal</b>				
Reserve cash and investments	6.2.5	\$676	\$1,080	\$404
Operations	6.2.6	\$408	\$824	\$416
		<b>\$1,084</b>	<b>\$1,904</b>	<b>\$820</b>
<b>Total funding sources</b>		<b>\$2,459</b>	<b>\$4,376</b>	<b>\$1,917</b>

**Budgeted total funding sources 2013/14**



### 6.2.1 Grants - Capital (\$2,495,000)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for the Country Roads & Bridges Program as well as Point Lonsdale Foreshore Revitalisation Project Stage 1, upgrade of the Queenscliff Senior Citizens Centre to incorporate the Queenscliff Sea Scouts and the Bulk Changeover to Energy-efficient Street Lighting. Further details are provided in Appendix C.

### 6.2.2 Contributions - Capital (\$95,000)

Capital contributions include all monies received from government agencies and community sources for the purposes of funding the capital works program. Contributions are budgeted to be received for the Point Lonsdale Revitalisation Project Stage 2.

### 6.2.3 Proceeds from sale of assets (\$67,500)

Proceeds from sale of assets comprise motor vehicle sales in accordance with Council's fleet renewal policy of \$67,500.

### 6.2.4 Reserve cash and investments (\$231,500)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for non-specific reserves such as the Asset Replacement Reserve and any projects for which funds are received in previous years and carried forward for completion in future years. For 2013/14 these resources will be used to part fund the upgrade of the Queenscliff Railway Station, Point Lonsdale Foreshore Revitalisation Project Stage 3, Queenscliff and Point Lonsdale Lighthouse Reserves Plan and the Bulk Changeover to Energy Efficient Street Lighting. A more detailed analysis is included in Appendix A 'Statement of Investment Reserves'.

### 6.2.5 Operations (\$823,500)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$823,500 will be generated from operations to fund the 2013/14 capital works program. This amount equates to the total net cost to the rates budget in the Capital and New Initiatives sheet (\$1,037,500) at Appendix C less \$214,000 that went towards funding operating projects.

## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2012/13 and 2013/14. It also considers a number of key performance indicators.

### 7.1 Budgeted balance sheet

	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		\$4,665	\$3,884	(\$781)
Trade and other receivables		\$441	\$477	\$36
Inventories		\$6	\$6	\$0
Other assets		\$158	\$158	\$0
<b>Total current assets</b>		<b>\$5,270</b>	<b>\$4,524</b>	<b>(\$746)</b>
<b>Non-current assets</b>	7.1.1			
Trade and other receivables		\$19	\$19	\$0
Investments in associates accounted for using the equity method		\$241	\$236	(\$5)
Property, infrastructure, plant and equipment		\$67,971	\$71,410	\$3,439
<b>Total non-current assets</b>		<b>\$68,231</b>	<b>\$71,665</b>	<b>\$3,434</b>
<b>Total assets</b>		<b>\$73,501</b>	<b>\$76,189</b>	<b>\$2,688</b>
<b>Current liabilities</b>	7.1.2			
Trade and other payables		\$1,131	\$1,715	\$584
Trust funds and deposits		\$68	\$68	\$0
Provisions		\$608	\$634	\$27
Interest-bearing loans and borrowings		\$235	\$245	\$10
<b>Total current liabilities</b>		<b>\$2,042</b>	<b>\$2,662</b>	<b>\$621</b>
<b>Non-current liabilities</b>	7.1.2			
Provisions		\$46	\$48	\$2
Interest-bearing loans and borrowings		\$779	\$1,034	\$255
<b>Total non-current liabilities</b>		<b>\$825</b>	<b>\$1,082</b>	<b>\$257</b>
<b>Total liabilities</b>		<b>\$2,867</b>	<b>\$3,744</b>	<b>\$877</b>
<b>Net assets</b>		<b>\$70,634</b>	<b>\$72,445</b>	<b>\$1,811</b>
<b>Equity</b>	7.1.4			
Accumulated surplus		\$33,077	\$36,246	\$3,170
Asset revaluation reserve		\$34,266	\$34,266	\$0
Other reserves - discretionary		\$3,291	\$1,933	(\$1,358)
<b>Total equity</b>		<b>\$70,634</b>	<b>\$72,445</b>	<b>\$1,811</b>

Source: Appendix A

### 7.1.1 Current Assets (\$746,000 decrease) and Non-Current Assets (\$3,434,000 increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$781,000 during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Both short and long term debtors are not expected to change significantly in the budget. Payment arrangements and other collection procedures are reviewed/carried out on a monthly basis and balances reported to Council on a quarterly basis during the financial year.

Inventories held for sale include book stock and merchandise made available through Council's Visitor Information Centre. Stocktakes are conducted on an annual basis at financial year-end.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery and other revenues due to be received in the next 12 months.

The Borough recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on the Borough's underlying interest in the net assets of the service disclosed in its audited financial statements each year. The Borough's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. The 2013/14 Budget assumes a decrease in equity of \$5,000 based on previous year actual experience, however this is an estimate which will not be known until the end of the 2013/14 financial year. Annual contributions to the library service are included as expenditure in the Income Statement.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$2,464,000 for renewal/upgrade and \$1,912,000 of new assets), less depreciation of assets (\$864,000) and the written down value on sale of property, plant and equipment (\$72,500).

### 7.1.2 Current Liabilities (\$621,000 increase) & Non-Current Liabilities (\$257,000 increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase by \$584,000 from 2012/13 levels, as the 2013/14 year includes a number of carry forward projects from previous years, which are likely to be completed right on year-end and will be due for payment as at 30 June 2013.

Trust funds and deposits includes monies paid to Council for tender deposits, hall hire etc. They are held as a liability until due to be returned. This is budgeted to remain consistent from year to year as old deposits are returned and new deposits collected.

Provisions include accrued long service leave and annual leave owing to employees. These employee entitlements are expected to increase marginally due to more active management of entitlements, despite factoring in an increase for Enterprise Bargaining Agreement (EBA) outcomes.

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of \$235,000 over the year. New borrowings of \$500,000 are budgeted to be drawn down in the last quarter of the 2013/14 year, to be used as Council's contribution towards the Queenscliff Sports & Recreation Precinct Project (subject to external funding).

### 7.1.3 Working Capital (\$1,365,000 decrease)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Council has also committed further current assets to specific and restricted purposes, represented by reserves, which may not yet be represented as current liabilities at 30 June.

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
<b>Current assets</b>	\$5,270	\$4,524	(\$746)
<b>Current liabilities</b>	\$2,043	\$2,662	\$619
<b>Working capital</b>	\$3,227	\$1,862	(\$1,365)
<b>Adjusted Working Capital</b> (adjusted by removal of LSL provision from current liabilities)	<b>\$3,590</b>	<b>\$2,241</b>	<b>(\$1,349)</b>
- Discretionary reserves	(\$3,291)	(\$1,933)	\$1,358
<b>Unrestricted working capital</b>	<b>\$299</b>	<b>\$308</b>	<b>\$9</b>

Notes:

- The 2013/14 budget assumes an increase in accounts payable of \$584,000 over the 2012/13 year, reflecting the large amount of carry forward projects expected to be undertaken in 2013/14.
- Removal of LSL current liability is an accepted adjustment required to be reported in annual financial statements to the Auditor-General and is therefore shown above as a more realistic working capital figure.

#### 7.1.4 Equity (\$1,811,000 increase)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$3,170,000 results directly from the surplus for the year adjusted for funds transferred to/from reserves.

During the year an amount of \$1,358,000 (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of investment cash reserves used to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

## 7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2014 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 97.9% of total rates and charges raised will be collected in the 2013/14 year (2012/13: 97.9% forecast actual).
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 14 days.
- Other debtors and creditors to remain consistent with 2012/13 levels.
- Employee entitlements to be increased by the Enterprise Bargaining Agreement (EBA) outcome offset by the more active management of leave entitlements of staff.
- New borrowings of \$500,000 and repayment of loan principal of \$235,000.
- Total capital expenditure to be \$4,376,000.
- A total of \$1,358,000 (net) to be transferred from reserves to accumulated surplus, representing the internal funding of part of the capital works program for the 2013/14 year, as well as the completion of projects carried forward from previous years.
- Council has repaid its defined benefits superannuation liability during the 2012/13 year. The 2013/14 Budget does not provide for any further calls on this fund given that early indicators would signal additional lump sums are unlikely to be required based on results to date. The next full actuarial review will occur at 30 June 2014.



## Long term strategies

### 8. Strategic resource plan and key financial indicators

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

#### 8.1 Plan development

The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan.

Council has prepared a Long Term Financial Plan (LTFP) for 10 years into the future. The Strategic Resource Plan (SRP) is essentially the four years 2013/14 to 2016/17 drawn from the LTFP.

The LTFP is developed as part of Council's ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels (except where increases are the result of funded programs).
- Underlying operating result – ongoing surpluses are desirable so as not to erode Council's asset base.
- Cash/liquidity – ensure sufficient cash to meet short-medium liabilities (working capital ratio of greater than 100%, target 120%).
- Debt – ensure only low to moderate debt levels and that debt ratios are within prudential guidelines (debt of <80% of rate revenue, but moderate target of less than 50% desirable).
- Asset renewal expenditure at levels that ensure assets are replaced as and when required (target is 100% of depreciation level cumulative over a 7-10 year period).
- Accumulated cash position – ongoing surpluses or at a minimum a zero/break-even result as measured by Balance Sheet calculation. (ie. Assets less liabilities excluding fixed assets and debt, adjusted for cash backed reserves).

In preparing the SRP, the Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities.
- Provide reasonable stability in the level of rate burden.
- Consider the financial effects of Council decisions on future generations.
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a process of consultation with Council service providers and through the annual review of the Long Term Financial Plan (LTFP) which is essentially ten years of estimates modelled on different scenarios of rate increases and assumptions on movements in other revenue sources and expenditure items (sensitivity analysis).

## 8.2 Financial resources

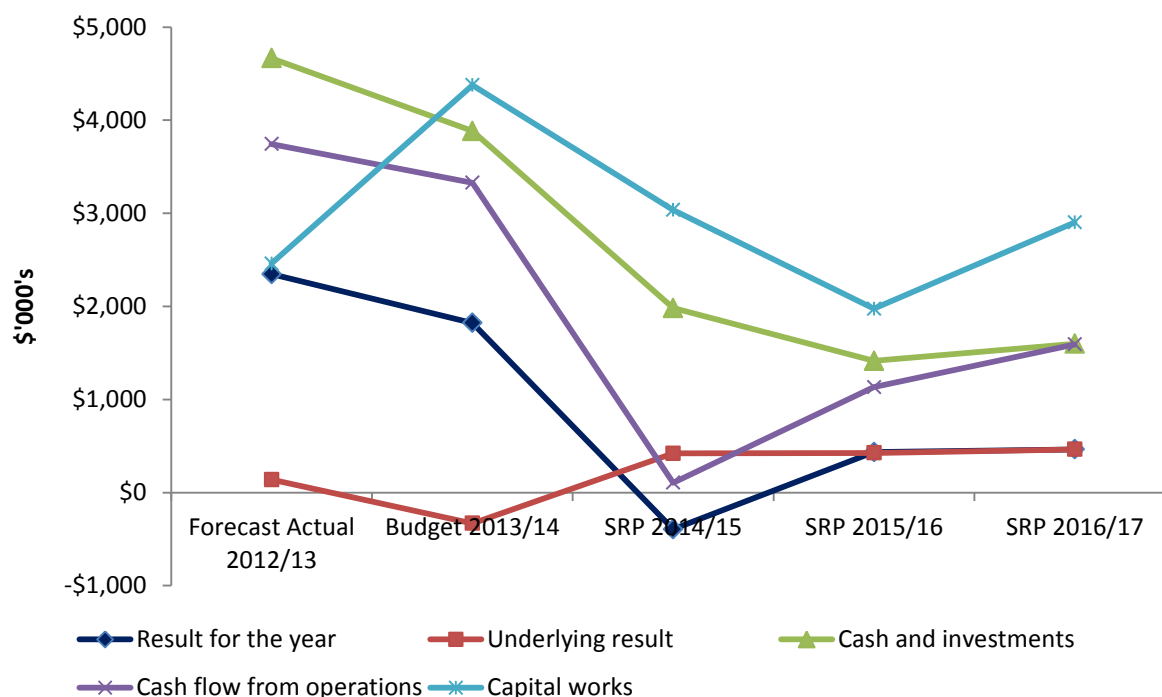
The following table summarises the key financial results for the next four years as set out in the SRP for years 2013/14 to 2016/17. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Strategic Resource Plan Projections					
	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	SRP 2014/15 \$'000	SRP 2015/16 \$'000	SRP 2016/17 \$'000	Trend +/O/-
Result for the year	2,346	1,822	(395)	434	464	-
Underlying result	139	(330)	420	426	464	+
Cash and investments	4,665	3,884	1,981	1,414	1,599	-
Cash flow from operations	3,745	3,328	107	1,133	1,592	-
Capital works	2,459	4,376	3035	1975	2901	0

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

The following graph shows the general financial indicators over the four year period.



The key outcomes of the SRP are as follows:

- **Underlying operating result (section 4)** –The underlying result is a measure of financial sustainability and is an important measure as one-off items can often mask the operating result. The underlying result, which excludes items such as capital grants and contributions, is a deficit of (\$330,000) for the 2013/14 budget year. This deficit is offset by underlying surpluses achieved in previous years and funds are held in reserve accounts on Council's Balance Sheet to fund expenditure. (The forecast underlying result for 2012/13 is a \$139,000 surplus). A high level Strategic Resource Plan (SRP) for the years 2013/14 to 2016/17 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The SRP projects that Council's underlying result, which is a measure of financial sustainability, will record surpluses in all years except 2013/14, for which surpluses reported in previous years include some amounts being held in reserve on Council's Balance Sheet to fund this expenditure.
- **Financial sustainability (sections 4 & 5)** - Cash and investments is forecast to decrease over the four year period from \$4,665,000 to \$1,599,000 which is indicative of the level of activity, particularly as the earlier years have considerable grant funding programs that span several years. The level of accumulated cash as indicated in the Balance Sheet and calculated in the Statement of Income and Expenditure (refer Section 4.6) has been forecast for the next four years to be break-even each year, aside from the \$130,000 accumulated cash surplus forecast for 30 June 2013, and will provide for a substantial Capital Works program.
- **Rating levels (section 9)** – Rate increases are forecast at 4.5% over the three years following the 2013/14 year. Note that as has occurred in this 2013/14 budget, Council determines the increase on an annual basis and thus the future years' strategy is indicative for longer term modelling only. Council is committed however to ensure predictable and consistent expectations for ratepayers over the four year term.
- **Borrowing strategy (section 10.1)** – Borrowings are forecast to reduce from \$1,014,000 to \$942,000 over the four year period, which is minimal, given two new loans are assumed to be undertaken by Council in future years (2013/14: \$500,000 and 2014/15: \$500,000) in order to proceed with major infrastructure projects whilst taking opportunities to match government grant funding which may become available. Note if external funding is not successful, such projects would not proceed until alternative funding sources are identified, in which case there may be a delay to the timeframe for pursuing new borrowings.
- **Infrastructure (section 10.2)** – Capital expenditure over the four year period will total \$12,287,000 at an average of \$3,072,000 per annum. Future years expenditure is dependant on external funding for large projects such as the Sports & Recreation Precinct Development Plan as well as funding already underway within the Country Roads & Bridges Program (total \$4,000,000 over four years) and the Local Government Infrastructure Fund (total \$813,000 over four years) and rate revenue (funding from operations) that is available for the annual Capital program.
- **Service delivery strategy (section 10.3)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast as a result of significant grant revenue being received to fund the continuing Country Roads & Bridges Program and other Capital projects and initiatives. The ability to undertake specific projects outside normal budgetary levels will depend on Government policy and direction, however, Council will continue to pursue external funding as opportunities are presented and some projects have been factored into the 2013/14 Budget in anticipation of being able to attract external funding. If however funding is not achieved, then such projects will not proceed unless alternative funding is sourced.

### 8.3 Key financial indicators

The following table highlights Council's current and projected performance across a range of key financial indicators (KPIs). KPIs provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

				Strategic Resource Plan Projections			
Indicator	Note s	Forecast Actual 2012/13	Budget 2013/14	SRP 2014/15	SRP 2015/16	SRP 2016/17	Trend +/-/O/-
<b>Financial performance</b>							
Underlying result/ Underlying revenue	1	7.1%	-7.2%	-1.7%	7.0%	12.3%	+
Expenses per Assessment		\$3,105	\$3,835	\$3,136	\$2,989	\$2,914	+
Rate revenue/Underlying revenue	2	55.7%	54.4%	66.2%	66.5%	67.3%	+
Rate revenue per Assessment		\$1,863	\$1,948	\$2,040	\$2,136	\$2,237	+
Debt servicing/Underlying revenue		0.7%	0.6%	1.0%	1.0%	0.8%	-
Recurrent Grants/Underlying revenue		24.7%	23.2%	7.7%	7.5%	7.4%	-
Fees and charges/Adj Total revenue		20.5%	20.9%	24.4%	24.4%	23.7%	+
<b>Financial position</b>							
Indebtedness/Rate revenue	3	18.1%	21.8%	25.0%	19.3%	14.0%	-
Underlying result/Total assets		1.0%	(1.0%)	(0.2%)	0.9%	1.6%	O
Net realisable assets per Assessment		\$21,486	\$22,314	\$22,255	\$22,303	\$22,676	+
Current assets/Current liabilities	4	257.9%	169.9%	116.5%	103.4%	109.7%	-
Current assets/Current liabilities (excluding LSL)	4	313.7%	198.2%	141.3%	130.1%	138.4%	-
Total liabilities per Assessment		\$955	\$1,243	\$1,178	\$1,000	\$965	O
<b>Capital expenditure</b>							
Capital works							
- Asset renewal and upgrade		\$2,125	\$2,464	\$2,038	\$1,326	\$1,948	O
- New assets		\$334	\$1,912	\$997	\$649	\$954	+
Capital works/Rate revenue		37.3%	41.9%	71.2%	47.2%	29.3%	+
Asset renewal/Total depreciation	5	175.3%	506.3%	339.3%	216.5%	323.1%	+

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

#### Notes to indicators

- Underlying result** – Improvement in financial performance expected over the period, apart from the 2013/14 year itself, when funds carried forward from previous years are expected to be completed.
- Rate revenue / Underlying revenue** – Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources. Note revenue is net of Capital income to reflect the reliance on rates to fund operations.
- Indebtedness / Rate revenue** – Trend shows Council's level of debt against its annual rate revenue will be reasonably consistent over the next four years, as continued loan redemption on existing loans is overshadowed by new borrowings expected to occur in the 2013/14 and 2014/15 years..
- Current Assets / Current Liabilities** – Working capital is on the decline in this four year period, particularly as large carry forward works from previous years are expected to be completed in future years (and therefore cash reserves will be reduced accordingly).

5. **Asset renewal / Total depreciation** – This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council needs to average at least 100% over a period, with peaks and troughs occurring as large assets are programmed for expenditure. The four year budget indicates a significantly high level of grant funded capital works projects is expected, with large amounts being allocated to asset renewal, in addition to the usual annual asset renewal program of approximately \$500,000 per annum.

Note: Revaluation of assets every second year will have an effect on the depreciation expense and thus an effect on this last ratio. Condition based assessment of assets will also impact on depreciation rates. Annual review of these indicators is necessary to ensure Council undertakes prudent Asset management.

## 8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. The following table summarises the non-financial resources for the next four years.

Indicator	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2012/13 \$'000		2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
Employee costs	2,925	3,156	3,295	3,442	3,594
Employees (EFT)	37.9	38.1	38.1	38.1	38.1

## 9. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations.

### 9.1 Strategy development

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for approximately 60% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Queenscliffe community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly recent changes in property valuations and subsequently rates for some properties in the municipality. The following table shows the Borough's rate increases over the last twelve years.

Year	Rate increase
2001/02	6.98%
2002/03	12.00%
2003/04	8.00%
2004/05	7.00%
2005/06	4.00%
2006/07	6.50%
2007/08	6.75%
2008/09	6.75%
2009/10	3.50%
2010/11	5.50%
2011/12	4.50%
2012/13	4.00%
<b>Average rate increase</b>	<b>6.29%</b>

The table indicates that over the past twelve years Council's rate increases have averaged 6.29% per annum. The dilemma faced by the Borough as with many small shires is the low growth in rateable properties (and therefore rate income) and the unavoidable increase in costs related to legislative compliance and the demand for services and infrastructure renewal.

### 9.2 Proposed rate increase

It is predicted that the 2013/14 operating position will be impacted by a number of unknown factors including any additional land fill levy applied by the State Government and costs associated with administration of the Fire Services Property Levy. Annual increases in employee costs and other major contracts all combine to put pressure on Council's ability to meet service demand and asset renewal requirements. It will therefore be necessary to achieve future revenue growth while containing costs in order to continue to achieve a breakeven cash position as set out in the Strategic Resource Plan and to maintain a robust capital works program into the future.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates will increase by 4.5% in 2013/14 raising total rates and charges of \$5,866,000 (based on property classifications as at 24.04.13), including \$10,000 generated from supplementary rates. The following table sets out future proposed rate increases and total rates and charges to be raised, based on the forecast financial position of Council as at 30 June 2013.

Year	Rate Increase %	Total Rates & Charges \$'000
2012/13	4.00%	5,592
<b>2013/14</b>	<b>4.50%</b>	<b>5,866</b>
2014/15	4.50%	6,143
2015/16	4.50%	6,432
2016/17	4.50%	6,735

### 9.3 Rating structure

Council's proposed rating strategy comprises the following key elements:

- Property values (based on Capital Improved Value or CIV) and differential rating to be used to determine the distribution of total rates levied;
- Differential rating for Commercial properties including properties with six or more bedrooms which are rented out as holiday accommodation;
- Differential rating for Tourist Accommodation properties, specifically those properties with five or less bedrooms which are rented out as holiday accommodation;
- A rating concession for identified Cultural and Recreational ratepayers;
- A charge for additional garbage bins;
- An additional pensioner concession of \$20, above the government funded pensioner rebate, per eligible ratepayer property. Eligibility includes application on a principal place of residence with only one rebate per property;
- No application of a fixed municipal charge;
- No application of a fixed garbage charge.

Striking a proper balance between the above elements provides equity in the distribution of the rate burden across residents, businesses and recreational ratepayers.

The proposed rating structure comprises three differential rates (residential, commercial and tourist accommodation), and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any 'recreational lands' which meet the test of being 'rateable land' under the Act. The commercial rate proposed is set at 130% of the residential rate, the tourist accommodation rate is set at 110% of the residential rate and the rate concession for recreational land is set at 25% of the rate. Council does not have a municipal charge or a separate garbage charge (except for second bins).

The following table summarises the rates to be determined for the 2013/14 year. A more detailed analysis of the rates to be raised is contained in Appendix B 'Statutory Disclosures'.

Type of Property	2012/13 cents/\$CIV	2013/14 cents/\$CIV
General rate for rateable residential properties	0.237662	0.250418
General rate for rateable commercial properties	0.320844	0.325543
General rate for rateable tourist accommodation properties	na	0.275459
Rate concession for rateable cultural and recreational properties	0.059416	0.062604

### Comparative rates

The table following is from the 2012/13 Budget and shows the comparative rating figures at City of Greater Geelong and Colac-Otway Shire. It also includes the proposed 2013/14 figures for Borough of Queenscliff only.

The separate addition of a garbage charge and municipal charge at neighbouring councils results in higher total rates payable over a range of property valuations. It is not expected that the comparative figures in the 2012/13 budget will significantly alter the relativities across the three municipalities. (final budget figures from other councils are not available at this stage.)



## RATE COMPARISON - 2012/2013

	QUEENSCLIFFE 13/14	QUEENSCLIFFE 12/13	COGG	COLAC-OTWAY
General	0.00250418	0.00237662	0.00254400	0.00375900
Commercial/Industrial				0.00620300
Commercial/Tourism	0.00325543	0.00320844	0.00508200	0.00375900
Tourism Accomodation	0.00275459	na		
Vacant Land			0.00340100	Note General & Commercial refer to Colac (Base Rate)
Industrial				
Cultural & Recreation	0.00062604	0.00059416	0.00160600	
Mixed Use - Resi & Business			0.00378100	
Farm Rate			0.00254400	0.00297000
Special - Dinner Plan S/Rte			Less -45%	
Special - Timber Plantation				
Special - Primary Production				
Special - Recreational Land				
General - Balance of Shire				0.00319500
Comm/Ind - Balance of Shire				0.00526300
Municipal Charge	0.00	0.00	86.33	149.00
Garbage Charge	0.00	0.00	226.00	277.00

### COUNCIL RATE COMPARISON: Using General Rate and any standard charges.

	QUEENSCLIFFE	QUEENSCLIFFE	COGG	COLAC-OTWAY
<b>CIV - 1,000,000</b>	\$2,504.18	\$2,376.62	\$2,544.00	\$3,759.00
Municipal Charge	\$0.00	\$0.00	\$86.33	\$149.00
Garbage Charge	\$0.00	\$0.00	\$226.00	\$277.00
<b>Total Rates and Charges</b>	<b>\$2,504.18</b>	<b>\$2,376.62</b>	<b>\$2,856.33</b>	<b>\$4,185.00</b>
<b>% above BOQ Rate Charge</b>	<i>n/a</i>	<i>n/a</i>	<b>20.18%</b>	<b>76.09%</b>
<b>CIV - 800,000</b>	\$2,003.34	\$1,901.30	\$2,035.20	\$3,007.20
Municipal Charge	\$0.00	\$0.00	\$86.33	\$149.00
Garbage Charge	\$0.00	\$0.00	\$226.00	\$277.00
<b>Total Rates and Charges</b>	<b>\$2,003.34</b>	<b>\$1,901.30</b>	<b>\$2,347.53</b>	<b>\$3,433.20</b>
<b>% above BOQ Rate Charge</b>	<i>n/a</i>	<i>n/a</i>	<b>23.47%</b>	<b>80.57%</b>
<b>CIV - 400,000</b>	\$1,001.67	\$950.65	\$1,017.60	\$1,503.60
Municipal Charge	\$0.00	\$0.00	\$86.33	\$149.00
Garbage Charge	\$0.00	\$0.00	\$226.00	\$277.00
<b>Total Rates and Charges</b>	<b>\$1,001.67</b>	<b>\$950.65</b>	<b>\$1,329.93</b>	<b>\$1,929.60</b>
<b>% above BOQ Rate Charge</b>	<i>n/a</i>	<i>n/a</i>	<b>39.90%</b>	<b>102.98%</b>

As indicated in the table above, based on 2012/13 comparative data a property valued at \$800,000 would pay 39.9% more in rates in COGG and 102.98% in Colac Otway. Figures are taken from the 2012/13 budget documents of the three Councils.

For the 2013/14 budget, the rate increase of 4.5% applies to the total rate revenue.



## 9.4 General revaluation of properties

During the 2011/12 year, a revaluation of all properties within the municipality was carried out and will remain current for the 2013/14 year. The outcome of the general revaluation saw a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district during the last revaluation increased by 5.43%. Of this increase, residential properties increased by 5.39% and commercial properties by 5.93%.

Increases in valuations do not automatically result in increases in rates. Valuation data is used to distribute the total rate burden across all properties. Council determines an overall rate increase for the budget and the total dollars this generates is distributed in the form of rates to property owners.

The next revaluation will be undertaken as at 1 January 2014 which will apply to the 2014/15 rating year. Further details regarding the impact of these revaluations will be provided as part of the 2014/15 budget process.

## 10. Other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

### 10.1 Borrowings

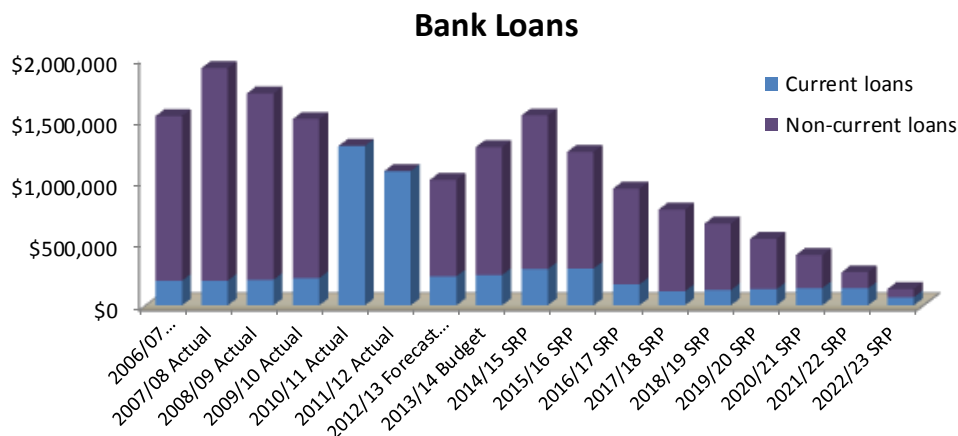
In developing the Strategic Resource Plan (SRP) (see Section 8), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With Council's unrestricted working capital (after allowing for discretionary reserves held for specific carried forward works) budgeted to be only \$308,000 at 30 June 2014, and the opportunities for grant funding of future projects which require a Council contribution, it has been necessary to reconsider the issue of borrowings.

The SRP includes the results of an analysis of Council's debt position against both State averages and small Shire Council averages over a number of different indicators. It also shows the results of prudential ratios used by the Victorian State Government to assess the loan capacity of local governments. The outcome of the analysis highlighted that the Borough has debt at low to moderate levels for its size and that its proposed debt levels can be comfortably accommodated.

For the 2013/14 year, Council has decided take out \$500,000 of new borrowings to fund part of the capital works program (namely the Queenscliff Sports & Recreation Precinct Project) and therefore, after making loan repayments of \$235,000, will reduce its total borrowings to \$1,279,000 as at 30 June 2014. Note a further \$500,000 of new borrowings is likely to be required in the 2014/15 year to fund other infrastructure initiatives.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2013.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2012/13	149	221	74	1,014
<b>2013/14</b>	<b>500</b>	<b>235</b>	<b>66</b>	<b>1,279</b>
2014/15	500	245	96	1,534
2015/16	0	294	99	1,240
2016/17	0	298	77	942



The above graph shows the debt balances as old bank loans are redeemed and new borrowings are undertaken.

## 10.2 Infrastructure

The Council has Asset Management Plans, which set out the capital expenditure requirements of Council for the next 20 years by class of asset, and these are a key input to the SRP. These plans predict infrastructure consumption and renewal needs, and consider infrastructure needs to meet future community service expectations.

The Strategy has been developed through a process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes.
- Identification of capital projects through the preparation of asset management plans.
- Prioritisation of capital projects within classes on the basis of condition and level of service criteria.
- Methodology for allocating annual renewal funding to classes of capital projects.
- Evaluation of capital projects on a number of criteria including legislative compliance, risk assessment, funding opportunities and ongoing operational funding requirements, and Council Plan priorities (priority given to renewal and upgrade of existing assets versus creation of new assets).

A key objective of the Asset Management Plans is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. To this end Council has created an Asset Replacement Reserve which serves to accumulate funds in years when asset interventions do not require as much funding as in other years (when the reserve can be drawn on).

Council has been successful in obtaining government grant funding from the Country Roads and Bridges funding program. This has enabled additional expenditure on the Borough's road infrastructure including VicRoads assets for the next four years (to 2015/16). External funding was also received in 2011/12 from the Local Government Infrastructure Funding Program (\$813,000) which has been directed towards a number of projects related to new and existing assets.

While building assets continue to be the area of concern for Council with a number of buildings with deteriorating conditions, significant progress is planned to address issues in this area. The Queenscliff Sports Club building has been enhanced through a combination of State Government, Council and community contributions. Future renewals and upgrades to the building are planned and subject to future funding opportunities. In addition, a number of funding programs have been identified and pursued for building projects that, if successful, will address renewal requirements on some of Council's most significant buildings.

Drainage management is also a challenge for Council. Drainage management will continue to be on a reactive basis due to nature of the asset and the excessive costs to a small council to undertake condition based assessments.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in Asset Management Plans. Whilst the plans, which include asset condition assessment and estimated remaining asset lives, are endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the available funds are not sufficient to fund the projected level of annual renewal expenditure. This creates an asset renewal gap and increases the level of backlog.

In updating the Asset Management Plans for the 2013/14 year, the following influences have had a significant impact:

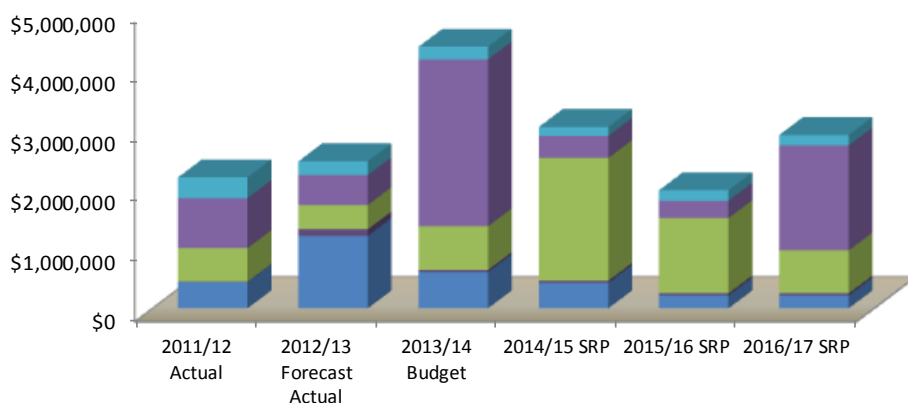
- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs.
- Availability of significant State and Federal funding for upgrade of roads and other local infrastructure (though not likely to continue beyond 2015/16).
- The enactment of the Road Management Act 2004 removing the defence of non-feasance on major assets such as roads.
- The number and condition of ageing assets, particularly building assets.
- The demand for new assets and/or upgrade of assets.
- Review of levels of services and utilisation of existing assets.
- Modelling of asset condition and intervention levels (factoring in grant funded programs).

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.

Year	Total Capital Program \$'000	Grants and Contributions \$'000	Sale of Assets \$'000	Proceeds of New Bank Loans	Investment Reserves \$'000	Unrestricted Cash and Investments \$'000	Council Operations \$'000
2012/13	2,459	1,210	16	0	375	0	858
2013/14	4,376	2,590	68	491	404	0	824
2014/15	3,035	185	868	491	443	0	1,049
2015/16	1,975	8	668	0	302	0	998
2016/17	2,901	0	1,868	0	0	0	1,034

In addition to using cash generated from its annual operations and external contributions such as government grants, Council has cash or investment reserves that are also used to fund a variety of capital projects. These reserves are discretionary and relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose. Appendix A includes a Statement of Reserves which is a summary of the investment reserves for the year ending 30 June 2014.

### Capital Expenditure



### 10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve at least a breakeven cash position (cumulatively). The Rating Information (see Section 9.) also refers to modest rate increases into the future approximating CPI plus 2.0%. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2013/14 %	2014/15 %	2015/16 %	2016/17 %
<b>Income</b>				
Rate increases	4.50%	4.50%	4.50%	4.50%
Government funding - recurrent	1.50%	1.50%	1.50%	1.50%
Statutory fees	2.00%	2.00%	2.00%	2.00%
User charges	CPI or market- tested	CPI or market- tested	CPI or market- tested	CPI or market- tested
<b>Expenses</b>				
Consumer Price Index - average of both CPI and the Engineering Construction Index	2.50%	2.50%	2.50%	2.50%
Wages growth - EBA plus oncosts	4.40%	4.40%	4.40%	4.40%
Regional library contribution	5.00%	5.00%	5.00%	5.00%
Electricity	10.00%	10.00%	10.00%	10.00%
Gas	10.00%	10.00%	10.00%	10.00%
Water	10.00%	10.00%	10.00%	10.00%
Fuel	4.50%	4.50%	4.50%	4.50%
Insurance premiums	10.00%	10.00%	10.00%	10.00%

Annual review of future escalation assumptions will be required as circumstances change both locally and globally.

As well as the general influences, there are also a number of specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

#### Waste Disposal

The State Government has increased the levy payable upon disposal of waste at landfill for the 2013/14 year. Increases of 10% (or \$4.84 per tonne) in the levy payable to the State Government upon disposal of waste into landfill (resulting from increases in carbon tax) is resulting in additional waste tipping costs of \$5,720. The levy has increased from \$9 per tonne in 2008/09 to \$53.24 per tonne in 2013/14 (591% increase in 5 years) and has added \$52,300 per annum to Council's costs. In addition, the City of Greater Geelong fee for disposal of waste at the Drysdale Landfill is expected to rise in line with CPI as a minimum.

Council has also budgeted for additional bundled services of green waste in the 2013/14 year.

#### Valuation Services

The Council is required to revalue all properties with the municipality every two years. The last general revaluation was carried out as at 1 January 2012 which was first used for 12/13 rating year and remains current for 2013/14. The next revaluation will be undertaken as at 1 January 2014 which will apply to the 2014/15 rating year. An allowance of approximately \$50,000 is made for each of the two yearly revaluation cycles. This is to meet the additional cost of resources (contracted out) to complete the revaluation process. Approximately \$40,000 of this expenditure however, is refunded by the State Revenue office under a Memorandum of Understanding arrangement. A smaller allowance of approximately \$6,000 p.a is included in the budget to cover the cost of resources (contracted out) to complete valuations for supplementary rating purposes.

Revaluation of council's own assets also occurs on a regular basis and funding is provided for this to occur each year for different classes of assets.

### **Roads, Parks and Reserves Maintenance**

The Roads, Parks and Reserves Maintenance Services contract was tendered and awarded in the 2012/13 financial year. The costs included in the 2013/14 budget are reflective of Council's contractual commitment.

The contract specifications were amended resulting in a lower provisional sum required than in previous years. A provisional sum of \$50,000 (compared to \$90,000 in the previous year) is included for costs which may arise that fall outside of the fixed price components of the contract, and which are difficult to predict. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.

### **Audit costs**

The legislative and compliance responsibilities of Council are such that a significant amount of audit work is carried out annually. There are insurance audits carried out regularly by council's insurers, as well as end of year Financial auditing as required by the Auditor-General. An audit contract for external audit services (that is, the end of year audit of Council's financial statements in the Annual Report) is provided through the Victorian Auditor General's Office and the fees are passed on to Council. These fees have risen considerably over the past few years.

The Internal Audit function that carries out a number of compliance and performance audits on council operations each year is carried out by an audit firm that is contracted directly to council through a public tendering process. The current internal auditor is under a three year contract arrangement which expires in March 2015.

As well as contracted services, Council has an internal audit committee comprising two councillors and four independent members. A sitting fee is paid to each of the independent members, details of which are declared in Council's Annual Report each year.

### **Coastal Management**

Council holds a General Reserve on the Balance Sheet with \$50,000 set aside as matching funds for Coastal Risk Mitigation and Coastal Environment Grants, as a contingency to match government funding applications if successful. The Budget assumes this balance will remain as \$50,000 at 30 June 2014, that is no funds are budgeted to be drawn out of this reserve in the 2013/14 year. Any transfer from this reserve, to take up funding opportunities as they arise, will be forecast in Council's quarterly reports during the year.

### **Aged Care & Disability Services**

An additional provision of \$25,000 is included within the Aged Care & Disability Services salary budget to allow for any increase in the levels of personal and respite care that may be required. This is required as the provision of these services is more expensive than general home care (that is, carers are paid at a higher rate). This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required throughout the year.

The service delivery outcomes measured in financial terms are shown in the following table.

<b>Year</b>	<b>Surplus for the year \$'000</b>	<b>Underlying Surplus \$'000</b>	<b>Net Service Cost \$'000</b>
2012/13	2,346	139	4,472
<b>2013/14</b>	<b>1,822</b>	<b>(330)</b>	<b>6,634</b>
2014/15	(395)	420	6,708
2015/16	434	426	5,992
2016/17	464	464	6,256

Service levels have been maintained throughout the four year period. Increasing costs, related to services provided to the community, range between a net cost of \$6,634,000 to \$6,256,000 over the four year period.

## Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that while the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Standard Statements	62
B	Statutory disclosures	68
C	Capital works and new initiatives	74
D	Fees and charges schedule	76

## **Appendix A**

### **Budgeted Standard Statements**

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2013/14 to 2016/17 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to report back to the community a comparison of actual financial results against these Budgeted Standard Statements and provide an explanation of significant variances. The Standard Statements together with the Performance Statement provide a clear, concise and understandable report of Council's activities for the year from both a financial and non-financial perspective particularly for those users who do not have a financial background.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves.

Budgeted Standard Income Statement  
For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>REVENUES</b>					
Rates and charges	\$5,592	\$5,866	\$6,143	\$6,432	\$6,735
Statutory fees & fines	\$78	\$90	\$91	\$93	\$95
User Charges	\$1,977	\$2,158	\$2,172	\$2,268	\$2,281
Grants - Operating	\$2,474	\$2,505	\$719	\$728	\$738
Grants - Capital	\$987	\$2,495	\$185	\$8	\$0
Capital Contributions	\$224	\$95	\$0	\$0	\$0
Contributions - Operating	\$87	\$0	\$0	\$0	\$0
Interest received	\$163	\$156	\$156	\$156	\$156
Other Income	\$69	\$0	\$0	\$0	\$0
<b>TOTAL OPERATING REVENUE</b>	<b>\$11,651</b>	<b>\$13,365</b>	<b>\$9,466</b>	<b>\$9,686</b>	<b>\$10,006</b>
<b>EXPENSES</b>					
Employee benefits	\$2,925	\$3,156	\$3,295	\$3,442	\$3,594
Materials & Services	\$5,086	\$7,056	\$5,191	\$4,418	\$4,560
Bad and doubtful debts	\$2	\$2	\$2	\$2	\$2
Depreciation	\$838	\$864	\$865	\$866	\$867
Interest expense	\$74	\$66	\$96	\$99	\$77
Other expenses	\$380	\$399	\$411	\$426	\$441
<b>TOTAL OPERATING EXPENSES</b>	<b>\$9,305</b>	<b>\$11,543</b>	<b>\$9,861</b>	<b>\$9,252</b>	<b>\$9,542</b>
<b>OPERATING RESULT</b>	<b>\$2,346</b>	<b>\$1,822</b>	<b>(\$395)</b>	<b>\$434</b>	<b>\$464</b>
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	(\$16)	(\$5)	\$419	\$253	\$768
Share of net profits of associates and joint ventures accounted for by the equity method	(\$5)	(\$5)	(\$5)	(\$5)	(\$5)
(Increase)/decrease in unfunded superannuation liability	\$12	\$0	\$0	\$0	\$0
Adjustment to equity - Drainage depreciation	(\$27)	\$0	\$0	\$0	\$0
Recognition of land asset for the first time	\$424	\$0	\$0	\$0	\$0
<b>COMPREHENSIVE RESULT</b>	<b>\$2,734</b>	<b>\$1,812</b>	<b>\$19</b>	<b>\$681</b>	<b>\$1,228</b>
/less Capital grants and contributions	(\$1,210)	(\$2,590)	(\$185)	(\$8)	\$0
/less other abnormals and library share	(\$404)	\$5	\$5	\$5	\$5
/less profit/loss on asset sales	\$16	\$5	(\$419)	(\$253)	(\$768)
/less operating grants timing adjustments	(\$996)	\$438	\$1,000	\$0	\$0
<b>UNDERLYING SURPLUS / (DEFICIT)</b>	<b>\$139</b>	<b>(\$330)</b>	<b>\$420</b>	<b>\$426</b>	<b>\$464</b>



Budgeted Standard Balance Sheet  
For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>Current assets</b>					
Cash and cash equivalents	\$4,665	\$3,884	\$1,981	\$1,414	\$1,599
Trade and other receivables	\$441	\$477	\$485	\$507	\$515
Inventories	\$6	\$6	\$6	\$6	\$6
Other assets	\$158	\$158	\$158	\$158	\$158
<b>Total current assets</b>	<b>\$5,270</b>	<b>\$4,524</b>	<b>\$2,630</b>	<b>\$2,085</b>	<b>\$2,278</b>
<b>Non-current assets</b>					
Trade and other receivables	\$19	\$19	\$19	\$19	\$19
Investments in associates accounted for using the equity method	\$241	\$236	\$231	\$226	\$221
Property, infrastructure, plant and equipment	\$67,971	\$71,410	\$73,131	\$73,826	\$74,761
<b>Total non-current assets</b>	<b>\$68,231</b>	<b>\$71,665</b>	<b>\$73,381</b>	<b>\$74,071</b>	<b>\$75,001</b>
<b>Total assets</b>	<b>\$73,501</b>	<b>\$76,189</b>	<b>\$76,011</b>	<b>\$76,156</b>	<b>\$77,279</b>
<b>Current liabilities</b>					
Trade and other payables	\$1,131	\$1,715	\$1,232	\$959	\$1,118
Trust funds and deposits	\$68	\$68	\$68	\$68	\$68
Provisions	\$608	\$634	\$662	\$691	\$722
Interest-bearing loans and borrowings	\$235	\$245	\$294	\$298	\$168
<b>Total current liabilities</b>	<b>\$2,042</b>	<b>\$2,662</b>	<b>\$2,256</b>	<b>\$2,016</b>	<b>\$2,076</b>
<b>Non-current liabilities</b>					
Provisions	\$46	\$48	\$50	\$52	\$55
Interest-bearing loans and borrowings	\$779	\$1,034	\$1,240	\$942	\$774
<b>Total non-current liabilities</b>	<b>\$825</b>	<b>\$1,082</b>	<b>\$1,290</b>	<b>\$994</b>	<b>\$829</b>
<b>Total liabilities</b>	<b>\$2,867</b>	<b>\$3,744</b>	<b>\$3,546</b>	<b>\$3,010</b>	<b>\$2,905</b>
<b>Net assets</b>	<b>\$70,634</b>	<b>\$72,445</b>	<b>\$72,465</b>	<b>\$73,146</b>	<b>\$74,374</b>
<b>Equity</b>					
Accumulated surplus	\$33,077	\$36,246	\$37,708	\$38,691	\$39,919
Asset revaluation reserve	\$34,266	\$34,266	\$34,266	\$34,266	\$34,266
Other reserves - discretionary	\$3,291	\$1,933	\$491	\$189	\$189
<b>Total equity</b>	<b>\$70,634</b>	<b>\$72,445</b>	<b>\$72,465</b>	<b>\$73,146</b>	<b>\$74,374</b>

Budgeted Standard Cash Flow Statement  
For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Rates and charges	\$5,587	\$5,860	\$6,137	\$6,426	\$6,729
User fees and fines	\$2,049	\$2,218	\$2,261	\$2,346	\$2,374
Grants and cash contributions	\$3,772	\$5,095	\$904	\$736	\$738
Interest received	\$163	\$156	\$156	\$156	\$156
Other receipts	\$69	\$0	\$0	\$0	\$0
	<b>\$11,640</b>	<b>\$13,329</b>	<b>\$9,457</b>	<b>\$9,665</b>	<b>\$9,997</b>
<i>Payments</i>					
Supplier payments	(\$4,614)	(\$6,473)	(\$5,672)	(\$4,693)	(\$4,400)
Employee costs	(\$2,899)	(\$3,127)	(\$3,265)	(\$3,410)	(\$3,562)
Other payments	(\$382)	(\$401)	(\$413)	(\$428)	(\$443)
	<b>(\$7,895)</b>	<b>(\$10,001)</b>	<b>(\$9,351)</b>	<b>(\$8,532)</b>	<b>(\$8,405)</b>
<b>Net cash provided by operating activities</b>	<b>\$3,745</b>	<b>\$3,328</b>	<b>\$107</b>	<b>\$1,133</b>	<b>\$1,592</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	(\$2,459)	(\$4,376)	(\$3,035)	(\$1,975)	(\$2,901)
Proceeds from sale of assets	\$16	\$68	\$868	\$668	\$1,868
<b>Net cash used in investing activities</b>	<b>(\$2,443)</b>	<b>(\$4,309)</b>	<b>(\$2,168)</b>	<b>(\$1,308)</b>	<b>(\$1,034)</b>
<b>Cash flows from financing activities</b>					
Interest expense	(\$74)	(\$66)	(\$96)	(\$99)	(\$77)
Proceeds from borrowings	\$149	\$500	\$500	\$0	\$0
Repayment of borrowings	(\$427)	(\$235)	(\$245)	(\$294)	(\$298)
<b>Net cash used in financing activities</b>	<b>(\$352)</b>	<b>\$199</b>	<b>\$159</b>	<b>(\$392)</b>	<b>(\$374)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>\$949</b>	<b>(\$781)</b>	<b>(\$1,902)</b>	<b>(\$567)</b>	<b>\$184</b>
Cash and cash equivalents at the beginning of the period	\$3,716	\$4,665	\$3,884	\$1,981	\$1,414
<b>Cash and cash equivalents at end of the year</b>	<b>\$4,665</b>	<b>\$3,884</b>	<b>\$1,981</b>	<b>\$1,414</b>	<b>\$1,599</b>

Budgeted Standard Capital Works Statement  
For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>Capital works areas</b>					
Roads	\$1,212	\$606	\$425	\$215	\$215
Drains	\$111	\$35	\$35	\$35	\$35
Open space	\$407	\$732	\$2,056	\$1,260	\$720
Buildings	\$500	\$2,793	\$370	\$291	\$1,757
Plant, equipment and other	\$229	\$210	\$149	\$174	\$174
<b>Total capital works</b>	<b>\$2,459</b>	<b>\$4,377</b>	<b>\$3,035</b>	<b>\$1,975</b>	<b>\$2,901</b>
<b>Represented by:</b>					
Asset renewal	\$2,000	\$939	\$1,305	\$849	\$1,248
New assets	\$334	\$1,912	\$997	\$649	\$953
Upgrade/expansion	\$124	\$1,525	\$732	\$477	\$700
<b>Total capital works</b>	<b>\$2,459</b>	<b>\$4,377</b>	<b>\$3,035</b>	<b>\$1,975</b>	<b>\$2,901</b>

Reconciliation of net movement in property, infrastructure, plant and equipment

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>Total capital works</b>	<b>\$2,459</b>	<b>\$4,376</b>	<b>\$3,035</b>	<b>\$1,975</b>	<b>\$2,901</b>
Asset revaluation increment	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	(\$838)	(\$864)	(\$865)	(\$866)	(\$867)
Written down value of assets sold	(\$32)	(\$73)	(\$448)	(\$415)	(\$1,099)
Adjustment to equity - drainage assets	(\$27)	\$0	\$0	\$0	\$0
Recognition of previously unrecognised assets - land	\$424	\$0	\$0	\$0	\$0
<b>Net movement in property, plant and equipment</b>	<b>\$1,986</b>	<b>\$3,439</b>	<b>\$1,722</b>	<b>\$694</b>	<b>\$935</b>

Budgeted Statement of Investment Reserves  
For the four years ending 30 June 2017

	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Strategic Resource Plan Projections		
			2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
<b>Discretionary</b>					
Asset replacement reserve	\$427	\$240	\$186	\$139	\$139
Works carried forward reserve	\$2,814	\$1,643	\$255	\$0	\$0
General reserve (matching funds)	\$50	\$50	\$50	\$50	\$50
<b>Total discretionary reserves</b>	<b>\$3,291</b>	<b>\$1,933</b>	<b>\$491</b>	<b>\$189</b>	<b>\$189</b>

## **Appendix B**

### **Statutory disclosures**

This appendix presents information which the Act and the Regulations require to be disclosed in the Council's annual budget.

The appendix includes the following budgeted information:

#### **1. Borrowings**

This section provides detail on the following:

- New borrowings – \$500,000 for 2013/14
- Debt redemption:
  - Bank loans
  - Unfunded superannuation liability

#### **2. Rates and Charges**

This section provides detail regarding the amounts included in both the 2012/13 approved budget and the 2013/14 draft budget, in particular:

- 2.1 The proposed rate in the dollar for each type of rate to be levied
- 2.2 The estimated amount to be raised by each type of rate to be levied
- 2.3 The estimated total amount to be raised by rates
- 2.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year
- 2.5 The number of assessments for each type of rate to be levied, compared to the previous year
- 2.6 The basis of valuation to be used
- 2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year
- 2.8 The proposed unit amount to be levied for each type of charge under section 162 of the Act
- 2.9 The estimated amounts to be raised for each type of charge to be levied, compared to the previous year
- 2.10 The estimated total amount to be raised by rates and charges

Note the 2012/13 year refers to approved budget, rather than 2012/13 year-end forecast, to provide an appropriate point of comparison when the rates budget is struck. Variations to rate income may occur during a financial year, as supplementary rates take effect and it is possible that there will be further adjustments to rate income received by 30 June which will not be included within this draft budget. Any such changes would be included in the forecasting process during the next financial year.

#### **3. Differential Rates**

This section provides detail regarding the four rates charged by Council:

- i. Residential
- ii. Commercial
- iii. Tourist accommodation
- iv. Cultural and recreational

## Statutory disclosures

### 1. Borrowings

	Forecast Actual 2011/12 \$	Budget 2012/13 \$
<b>New borrowings - bank loan</b>	<b>\$149,000</b>	<b>\$500,000</b>
<b>Debt redemption</b>		
- Bank loans	\$220,685	\$235,000
- Unfunded superannuation liability	\$206,524	\$0
<b>Total debt redemption</b>	<b>\$427,210</b>	<b>\$235,000</b>

### 2. Rates and Charges

2.1 The proposed rate in the dollar for each type of rate to be levied

Type of Property	2012/13 cents/\$CIV	2013/14 cents/\$CIV
General rate for rateable residential properties	0.237662	0.250418
General rate for rateable commercial properties	0.320844	0.325543
General rate for rateable tourist accommodation properties	n/a	0.275459
Rate concession for rateable cultural and recreational properties	0.059416	0.062604

2.2 The estimated amount to be raised by each type of rate to be levied

Type of Property	2012/13 \$	2013/14 \$
Residential	4,914,810	4,988,786
Commercial	637,093	395,647
Tourist accommodation	n/a	453,976
Cultural and recreational	3,566	3,889

2.3 The estimated total amount to be raised by rates

	2012/13 \$	2013/14 \$
Total rates to be raised	5,555,469	5,842,297

2.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2012/13 Change %	2013/14 Change %
Residential	-1.38	5.37%
Commercial	-1.38	1.46%
Tourist accommodation	n/a	100.00%
Cultural and recreational	-1.38	5.36%

- 2.5 The number of assessments for each type of rate to be levied, compared to the previous year

Type of Property	2012/13 No.	2013/14 No.
Residential	2,756	2,640
Commercial	261	156
Tourist accommodation	n/a	228
Cultural and recreational	4	5
<b>Total number of assessments</b>	<b>3,021</b>	<b>3,029</b>

- 2.6 The basis of valuation to be used is the Capital Improved Value (CIV)

- 2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year.

Type of Property	2012/13 \$	2013/14 \$
Residential	2,075,104,000	1,995,620,500
Commercial	198,567,378	121,534,377
Tourist accommodation	n/a	164,836,000
Cultural and recreational	6,002,000	6,212,000
<b>Total</b>	<b>2,279,673,378</b>	<b>2,288,202,877</b>

- 2.8 The proposed unit amount to be levied for each type of charge under section 162 of the Act.

Type of Charge	Per Rateable Property 2012/13 \$	Per Rateable Property 2013/14 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	180	190
<b>Total</b>	<b>180</b>	<b>190</b>

- 2.9 The estimated amounts to be raised for each type of charge to be levied, compared to the previous year

Type of Charge	2012/13 \$	2013/14 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	13,680	13,775
<b>Total</b>	<b>13,680</b>	<b>13,775</b>

## 2.10 The estimated total amount to be raised by rates and charges

	2012/13	2013/14
	\$	\$
Rates and charges	5,555,469	5,842,297
Supplementary rates	10,000	10,000
Second bins	13,680	13,775
<b>Total</b>	<b>5,579,149</b>	<b>5,866,072</b>

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations.
- The variation of returned levels of value (e.g. valuation appeals).
- Changes in use of land such that rateable land becomes non-rateable land and vice versa.
- Changes in use of land such that residential land becomes commercial land and vice versa.
- Changes in use of land such that residential land becomes tourist accommodation land and vice versa.

## 3. Differential Rates

### 3.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.250418% (0.250418 cents in the dollar of CIV) for all rateable residential properties
- A commercial rate of 0.325543% (0.325543 cents in the dollar of CIV) for all rateable commercial properties including properties with six or more bedrooms which are rented out as holiday accommodation
- A tourist accommodation rate of 0.275459% (0.275459 cents in the dollar of CIV) for all rateable tourist accommodation properties, that is properties having five or less bedrooms which are rented out as holiday accommodation
- A cultural and recreational rate of 0.062604% (0.062604 cents in the dollar of CIV) for all rateable cultural and recreational properties.

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

### 3.2 Residential land

Residential land is any land, which is:

- used primarily for residential purposes; or
- unoccupied but zoned Residential under the Borough of Queenscliffe Planning Scheme; and
- not Commercial land or Tourist accommodation land.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of community services
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.



The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land. The vacant land affected by this rate is that which is zoned residential under the Borough of Queenscliffe Planning Scheme. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2013/14 financial year.

### 3.3 Commercial land

Commercial land is any land which is:

- used primarily for the carrying out the manufacture or production of, or trade in, goods or services (including accommodation); or
- unoccupied but zoned Business under the Borough of Queenscliffe Planning Scheme; and
- not Tourist accommodation land

The objective of this differential rate is to ensure that all rateable commercial properties make an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited) to the:

- Construction and maintenance of infrastructure assets
- Development and provision of community services
- Provision of general support services
- Costs associated with the Visitor Information Centre service and tourism promotion.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to commercial land. The vacant land affected by this rate is that which is zoned commercial under the Borough of Queenscliffe Planning Scheme. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2013/14 financial year.

### 3.4 Tourist Accommodation land

Tourist accommodation land is any land, which:

- contains a dwelling, unit, cabin or house or part of a house, with five or less bedrooms available for holiday rental that is used, whether primarily or otherwise, to provide holiday accommodation for the purpose of generating income from the provision of such holiday accommodation;

The objective of this differential rate is to ensure that all smaller scale rateable tourist accommodation properties make an equitable and appropriate financial contribution to the cost of carrying out the functions of Council including (but not limited) to the:

- Construction and maintenance of infrastructure assets

- Development and provision of community services
- Provision of general support services
- Costs associated with the Visitor Information Centre service and tourism promotion.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

### 3.5 Cultural and Recreational rates

Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any 'recreational lands' which meet the test of being 'rateable land' under the Act. Council has applied this rating concession in recognition of the voluntary nature of the not-for-profit sport and recreation clubs operating on the rateable land and the limited revenue streams available to these community organisations. The rate concession for recreational land is set at 75% of the residential rate and is treated as a contribution in lieu of rates.

### 3.6 Other charges

Council does not have a separate garbage charge or a Municipal charge. A "second bin" rate is charged for additional garbage charges where these are requested.

### 3.7 Pensioner concession

Holders of a Centrelink or Veteran Affairs Pension Concession card or a Veteran Affairs Gold card which stipulates TPI or War Widow, may claim a rebate on their sole or principal place of residence, with only one rebate per property.

An additional pensioner concession of \$20, above the government funded pensioner rebate, per eligible ratepayer property applies. Eligibility for this additional concession includes application on a principal place of residence with only one rebate per property.

## **Appendix C**

### **Capital works and new initiatives**

This appendix presents a listing of the capital works and new initiatives projects that will be undertaken for the 2013/14 year.

The capital works and new initiatives projects are presented as follows:

1. Projects are first listed under one of the following headings:
  - Annual asset renewal program
  - Specific projects carried forward from 2012/13 to the 2013/14 year
  - 2013/14 priority projects
  - 2013/14 priority project – Sports & Caravan Parks funded project
2. For those projects which fall within the annual asset renewal program, these projects are then split into asset class as follows:
  - Renewal buildings
  - Renewal road and path-related infrastructure
  - Renewal reserves
  - Renewal foreshore
  - Renewal other assets (eg: motor vehicles)
  - Transfer to Asset Replacement Reserve for expenditure in future years
3. Funding sources are then identified for each project, a combination of some/all of the following:
  - Government grants
  - Community contributions
  - Transfer from Carry Forward Reserves
  - Transfer from Asset Replacement Reserve
  - New loan proceeds
  - Asset sale proceeds
4. Next, expenditure is split into some/all of the following expense types:
  - Operating expenditure
  - Capital expenditure
    - Renewal
    - Upgrade
    - New assets
  - Transfer to Carry Forward Reserves
  - Transfer to Asset Replacement Reserve
  - New loan repayment
5. Finally, the net cost to Council is shown (after all funding sources have been included). This represents the amount which is funded from Council operations ie. rate-funded projects.

# Capital Works and New Initiatives

ANNUAL BUDGET	2013/14 financial year															
	Funding Sources							Expenditure								
	Government Grants	Community Contributions	2012/13 Carry Fwd	Reserve Transfers	New Loan Proceeds	Asset Sale Proceeds	TOTAL INCOME	Operating Expense	Capital - Renewal	Capital - New Assets	Capital - Upgrade	TOTAL CAPITAL	Reserve Transfers	New Loan Repayment	TOTAL EXPENSE	NET COST TO COUNCIL
<b>Annual Asset Renewal Program:</b>																
Renewal Buildings							0		115,000			115,000			115,000	115,000
Renewal Roads							0		110,000			110,000			110,000	110,000
Renewal Drainage							0		35,000			35,000			35,000	35,000
Renewal Open Space							0		92,000			92,000			92,000	92,000
Renewal Other Assets (eg: motor vehicle fleet)						67,500	67,500		200,000			200,000			200,000	132,500
Transfer to Asset Replacement Reserve for expenditure in future years							0					0	45,000		45,000	45,000
<b>Net Cost to Council: Annual Asset Renewal Program</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,500</b>	<b>67,500</b>	<b>0</b>	<b>552,000</b>	<b>0</b>	<b>0</b>	<b>552,000</b>	<b>45,000</b>	<b>0</b>	<b>597,000</b>	<b>529,500</b>
<b>Specific projects carried forward from 2012/13 to the 2013/14 year</b>																
Country Roads & Bridges	1,000,000		1,374,000				2,374,000	1,174,000	200,000			200,000	1,000,000		2,374,000	0
Hesse Street Revitalisation - Stage 1			109,320				109,320		79,320	20,000	10,000	109,320			109,320	0
Point Lonsdale Foreshore Revitalisation - Stage 1: Lookout Platform	40,000		223,594				263,594		52,000	211,594		263,594			263,594	0
Botanic Gardens (former high school site)	300,000						300,000			150,000		150,000	150,000		300,000	0
Upgrade of the Queenscliff Senior Citizens Centre to incorporate the functions and needs of the Queenscliff Sea Scouts *	100,000		160,000				260,000				260,000	260,000			260,000	0
Fort Queenscliff	105,000		5,000				110,000	110,000				0			110,000	0
Coastal Tender Works	76,000		74,000				150,000	150,000				0			150,000	0
Ferry to Pier	125,000	20,000	155,000				300,000	280,000			20,000	20,000			300,000	0
Queenscliff & Point Lonsdale Lighthouse Reserves Development Plan	5,000		102,900				107,900			107,900		107,900			107,900	0
Electrical points of supply to QRR and Vic Park				80,000			80,000				80,000	80,000			80,000	0
Bulk Changeover Energy Efficient Street Lighting #	78,800			83,800			162,600	162,600				0			162,600	0
Point Lonsdale Cliff Stability			210,000				210,000	210,000				0			210,000	0
Review of the Planning Scheme			65,000				65,000	65,000				0			65,000	0
Queenscliff Recreation Reserve Masterplan			60,000				60,000				60,000	60,000			60,000	0
Significant Tree Register			50,000				50,000	50,000				0			50,000	0
Design for Netball Courts Relocation			10,000				10,000			10,000		10,000			10,000	0
Miscellaneous Projects			130,000				130,000	23,000	16,000	35,000	56,000	107,000			130,000	0
<b>Net Cost to Council: 2012-13 Priority Projects</b>	<b>1,829,800</b>	<b>20,000</b>	<b>2,728,814</b>	<b>163,800</b>	<b>0</b>	<b>0</b>	<b>4,742,414</b>	<b>2,224,600</b>	<b>347,320</b>	<b>534,494</b>	<b>486,000</b>	<b>1,367,814</b>	<b>1,150,000</b>	<b>0</b>	<b>4,742,414</b>	<b>0</b>
<b>2013-14 Priority Projects:</b>																
Point Lonsdale Foreshore Revitalisation - Stage 2: Underground Power & Grass Embankment #	500,000						500,000				19,000	19,000	481,000		500,000	0
Point Lonsdale Foreshore Revitalisation - Stage 3: Village Park Amenity Upgrade *	250,000			27,777			277,777			277,777		277,777			277,777	0
Plan for, and realise funds from, the sale of appropriate Council freehold land							0	5,000			60,000	60,000			65,000	65,000
Increase the number of bundled roadside green waste services							0	19,000				0			19,000	19,000
Implement the cleaning of Queenscliff 'front' beach during holiday periods between September and Easter							0	10,000				0			10,000	10,000
Develop a plan to replace the Borough's historic cypress avenues and selected other tree species							0	20,000				0			20,000	20,000
Develop stage 1 of the Queenscliff Kindergarten *	300,000	75,000					375,000			180,000	270,000	450,000			450,000	75,000
Review the provision of public toilet facilities in the Borough							0	10,000				0			10,000	10,000
Increase resourcing to priority infrastructure projects							0	10,000	40,000	20,000	40,000	100,000			110,000	110,000
Increase holiday opportunities at, and revenue from, Council managed camping and caravan parks							0	100,000				0			100,000	100,000
Upgrade of the Queenscliff Railway Station *	400,000		73,500	40,000			513,500	513,500				0			513,500	0
Increase investment in implementing the Council and Community Carbon Neutral Action Plans							0	20,000				0			20,000	20,000
Produce a Masterplan and costing for development of Royal Park camping and caravan park							0				20,000	20,000			20,000	20,000
Develop and implement a streetscape policy to improve the amenity of neighbourhood streets							0	5,000				0			5,000	5,000
Produce a Masterplan and costing for development of Golightly Park camping and caravan park							0				30,000	30,000			30,000	30,000
Work with the Point Lonsdale Surf Life Saving Club and Point Lonsdale Board Riders to determine the site for future clubrooms							0	15,000				0			15,000	15,000
<b>Net Cost to Council: 2013-14 Priority Projects (excluding Sports &amp; Caravan Parks funded project)</b>	<b>1,450,000</b>	<b>75,000</b>	<b>73,500</b>	<b>67,777</b>	<b>0</b>	<b>0</b>	<b>1,666,277</b>	<b>727,500</b>	<b>40,000</b>	<b>477,777</b>	<b>439,000</b>	<b>956,777</b>	<b>481,000</b>	<b>0</b>	<b>2,165,277</b>	<b>499,000</b>
<b>2013-14 Priority Project: Sports &amp; Caravan Parks funded project</b>																
Develop Stage 2 of the Queenscliff Sport and Recreation Precinct Development Plan #	1,000,000				500,000		1,500,000			900,000	600,000	1,500,000		9,000	1,509,000	9,000
<b>Net Cost to Council: 2013-14 Priority Project: Sports &amp; Caravan Parks funded project</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>900,000</b>	<b>600,000</b>	<b>1,500,000</b>	<b>0</b>	<b>9,000</b>	<b>1,509,000</b>	<b>9,000</b>
<b>TOTAL CAPITAL WORKS &amp; NEW INITIATIVES</b>	<b>4,279,800</b>	<b>95,000</b>	<b>2,802,314</b>	<b>231,577</b>	<b>500,000</b>	<b>67,500</b>	<b>7,976,191</b>	<b>2,952,100</b>	<b>939,320</b>	<b>1,912,271</b>	<b>1,525,000</b>	<b>4,376,591</b>	<b>1,676,000</b>	<b>9,000</b>	<b>9,013,691</b>	<b>1,037,500</b>

\* dependant on State government funding

# dependant on Federal government funding

## **Appendix D**

### **Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2013/14 year.

The following information is listed for each type of fee charged by Council:

- Program / activity to which the user fee relates (example: law enforcement)
- Type of fee charged (example: dog registration)
- More details regarding each fee type (example: dog registration – sterilised dog)
- An indication as to whether the fee is statutory or at the discretion of Council
- Whether the fee is inclusive of GST, or if in fact GST does not apply to the fee
- Fees for both the current year (2012/13) and proposed fees for the next year (2013/14)
- % increase in fees compared with that charged for the previous year.

## Fees & Charges Schedule

## Appendix D

Borough of Queenscliffe Fees & Charges Schedule for the 2013/14 Financial Year								
Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget	
					Price	% Increase	Price	% Increase
Rates & Charges	Land Information Certificates	Per certificate	Legislated	N	\$20.00	0.0%	\$20.00	0.0%
	Previous years rates notices	Per notice + Admin fee @ \$20/hour		N	\$11.00	0.0%	\$11.00	0.0%
	Garbage Charges 2nd Bin	Per bin		N	\$180.00	5.9%	\$190.00	5.6%
Finance	Dishonoured Cheque Fee	Per cheque dishonoured - Australia Post transactions		N	\$15.00	0.0%	\$15.00	0.0%
		Per cheque dishonoured - Bank transactions		N	\$10.00	0.0%	\$10.00	0.0%
Administration	Photocopy charges - per page	Own paper supplied		Y	\$0.15	50.0%	\$0.15	0.0%
		A4 paper		Y	\$0.20	33.3%	\$0.20	0.0%
		A3 paper		Y	\$0.45	12.5%	\$0.45	0.0%
		A4 colour copy		Y	\$1.10	4.8%	\$1.10	0.0%
		A3 colour copy		Y	\$1.60	3.2%	\$1.60	0.0%
		A4 laminating		Y	\$2.10	2.4%	\$2.10	0.0%
		A3 laminating		Y	\$3.65	1.4%	\$3.65	0.0%
	Freedom of Information Enquiries	Per hour	Legislated	N	\$23.90	0.0%	\$23.90	0.0%
	Book Sales (either of the books below):	General Public		Y	\$49.95	0.0%	\$49.95	0.0%
	- Enduring the Rip	Maritime Museum		Y	\$34.95	0.0%	\$34.95	0.0%
Facility Hire	Per day hire - Town Hall	Social Events / Functions - Charity		Y	\$42.00	2.4%	\$43.00	2.4%
		Social Events / Functions - Local Organisations (ticketed events)		Y	\$50.00	22.0%	\$51.00	2.0%
		Social Events / Functions - Non-Local Organisations (private events)		Y	\$265.00	2.9%	\$272.00	2.6%
		Set-up / clean-up fee for events in the Town Hall		Y	\$0.00	0.0%	\$50.00	100.0%
		Commercial		Y	\$424.00	2.9%	\$435.00	2.6%
	Per day hire - Pavilion	Local		Y	\$76.00	2.7%	\$78.00	2.6%
		Non-local		Y	\$165.00	3.1%	\$170.00	3.0%
		Power usage only		Y	\$43.00	2.4%	\$44.00	2.3%
	Per day hire - Oval	Booking fee		Y	\$65.00	8.3%	\$70.00	7.7%
Visitor Information Centre	Historical Walks	Per guided walk		Y	\$12.00	0.0%	\$12.00	0.0%
	Display Banners	Per week		Y	\$40.00	0.0%	\$40.00	0.0%
	Souvenirs	Per item		Y	Various	2.5%	Various	2.5%
Aged Care	Charges dependant on client means test	Home Care		N	\$4.80 - \$18.30	3.0%	\$4.90 - \$18.75	2.5%
		Personal Care		N	\$4.80 - \$18.30	3.0%	\$4.90 - \$18.75	2.5%
		Respite Care		N	\$2.80 - \$20.40	3.0%	\$2.50	(10.7%)+
		Home Maintenance		N	\$9.70 - \$16.80	3.0%	\$9.95 - \$17.20	2.5%
	Client Travel	Per hour, extra to \$ rate for care received		N	\$1.00	0.0%	\$1.00	0.0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget	
					Price	% Increase	Price	% Increase
Aged Care (cont)	Other Agencies \$/hour	Home Care		Y	\$48.00	3.8%	\$48.00	0.0%
		Personal Care		Y	\$50.30	3.7%	\$50.30	0.0%
		Respite Care		Y	\$51.30	3.6%	\$51.30	0.0%
		Home Maintenance		Y	\$53.40	3.7%	\$53.40	0.0%
		Travel fees per km		Y	\$1.15	4.5%	\$1.15	0.0%
	Community Aged Care Packages	varies per package		N	\$10.00 - \$50.00	0.0%	\$10.00 - \$50.00	0.0%
Engineering	Build Over Easement Permit	Per permit	Legislated	N	\$215.00	0.0%	\$215.00	0.0%
	Legal Point of Discharge Enquiry	Per enquiry		N	\$55.55	0.0%	\$55.55	0.0%
	Road Opening Permit	Per permit		N	\$105.00	0.0%	\$105.00	0.0%
Building	Lodgement Fees - Residential	Per lodgement	Legislated	N	\$34.00	0.0%	\$34.00	0.0%
	Lodgement Fees - Commercial	Per lodgement		N	\$34.00	0.0%	\$34.00	0.0%
	Building Certificate by Solicitor	Per certificate		N	\$45.35	0.0%	\$45.35	0.0%
	Variation to Residential Code	Per variation	Legislated	N	\$227.25	0.0%	\$227.25	0.0%
	Consent to Construct in Flood Areas	Per consent		N	\$227.25	0.0%	\$227.25	0.0%
	Copying of Building Application	Per copy		Y	\$100 min.	0.0%	\$100 min.	0.0%
	Property Enquiries by Building Surveyors	Per enquiry	Legislated	Y	\$45.35	0.0%	\$45.35	0.0%
	Records Search Fee	Per hour		Y	\$102.00	0.0%	\$102.00	0.0%
Environmental Health	Food - Class 1 & 2	Per registration		N	\$310.00	3.3%	\$318.00	2.6%
	Food - Class 3	Per registration		N	\$205.00	2.5%	\$210.00	2.4%
	Mobile food premises - Class 2	Per registration		N	\$310.00	3.3%	\$318.00	2.6%
	Mobile food premises - Class 3	Per registration		N	\$205.00	2.5%	\$210.00	2.4%
	Accommodation	Per registration		N	\$310.00	0.0%	\$318.00	2.6%
	Hairdresser/Beauty Premises	Per registration		N	\$155.00	0.0%	\$159.00	2.6%
	Premises	Per transfer inspection		Y	\$165.00	0.0%	\$170.00	3.0%
	Septic tank fees	Per permit to install		N	\$310.00	0.0%	\$350.00	12.9%
	Septic tank fees	Per permit to alter / 801 report and content		N	\$155.00	0.0%	\$175.00	12.9%
	Temporary food registration	Per for-profit organisation		N	\$170.00	3.0%	\$175.00	2.9%
	Temporary food registration	Per community organisation		N	\$0.00	0.0%	\$0.00	0.0%
	Associated fixed premise (temporary food)	Per registration		N	\$0.00	0.0%	\$0.00	0.0%
Town Planning	Certificate	Per certificate	Legislated	N	\$18.20	0.0%	\$18.20	0.0%
	Planning Permit - new application	Per permit		N	\$102 - \$16,130	0.0%	\$102 - \$16,130	0.0%
	Planning Permit - extension of time	Per permit		N	\$102.00	0.0%	\$102.00	0.0%
	Planning Permit - amendment	Per permit	Partially legislated	N	\$102 - \$815	0.0%	\$102 - \$815	0.0%
	Planning Permit - subdivision	Per subdivision	Legislated	N	\$386 - \$781	0.0%	\$386 - \$781	0.0%
	Certification - subdivision	Per subdivision		N	\$140.00	0.0%	\$140.00	0.0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget		
					Price	% Increase	Price	% Increase	
Town Planning (cont)	Section 29A request	Per request	Legislated	N	\$56.75	0.0%	\$58.17	2.5%	
	Planning Infringements	Per infringement - natural person (five penalty units)		N	\$704.20	17.9%	\$704.20	0.0%	
	Planning Infringements	Per infringement - body corporate (ten penalty units)		N	\$1,408.40	17.9%	\$1,408.40	0.0%	
Town planning fees are legislated by State Government and subject to change. Please contact Council's planning department for current information on applicable planning fees.									
Local Laws	Dog Registrations - per registration <i>Note: fees are in accordance with the Domestic Animals Act, where applicable.</i>	Declared Restricted Breed		N	\$139.00	3.0%	\$500.00	259.7%	
		Declared Menacing Breed		N	\$139.00	3.0%	\$500.00	259.7%	
		Declared Dangerous Dog		N	\$139.00	3.0%	\$500.00	259.7%	
		Entire	Partially legislated	N	\$89.00	3.5%	\$98.00	10.1%	
		Entire (pensioner concession)				\$49.00			
		Entire & Existing Microchipped		N	\$42.00	2.4%	\$32.67	-22.2%	
		Registered Orgnisation (both owner and animal)		N	\$33.00	3.1%	\$32.67	-1.0%	
		Desexed		N	\$33.00	3.1%	\$32.67	-1.0%	
		Desexed & Microchipped		N	\$29.00	3.6%	\$32.67	12.7%	
		Desexed (Pensioner Concession)		N	\$18.50	2.8%	\$16.33	-11.7%	
		Dual Registered		N	\$7.00	0.0%	\$7.00	0.0%	
		Guide Dog	Legislated	N	\$0.00	0.0%	\$0.00	0.0%	
		Replacement Dog Tag		N	\$2.00	0.0%	\$2.00	0.0%	
	Cat Registrations - per registration <i>Note: fees are in accordance with Domestic Animals Act, where applicable.</i>	Entire (not applicable in BoQ as local law does not allow entire cat)		N	\$77.00	2.7%	\$85.00	10.4%	
		Registered Orgnisation (both owner and animal)		N	\$28.00	3.7%	\$28.33	1.2%	
		Microchipped (existing reg'ns only)		N	\$30.00	3.4%	\$28.33	-5.6%	
		Desexed		N	\$26.00	4.0%	\$28.33	9.0%	
		Desexed & Microchipped		N	\$25.00	4.2%	\$28.33	13.3%	
		Desexed (Pensioner Concession)		N	\$15.50	3.3%	\$14.17	-8.6%	
		Dual Registered		N	\$7.00	0.0%	\$7.00	0.0%	
		Replacement Cat Tag		N	\$2.00	0.0%	\$2.00	0.0%	
	Local Law Permit Fees <i>Note: unless otherwise stipulated, these are annual permit fees.</i>	Planting on or removal of plants from naturestrip		N	Nil	0.0%	Nil	0.0%	
		Keeping more animals or birds than prescribed - application fee		N	\$85.00	13.3%	\$80.00	-5.9%	
		Keeping more animals or birds than prescribed - annual renewal		N	\$0.00	-100.0%	\$15.00	100.0%	
		Keeping an animal or bird not listed		N	Nil	0.0%	Nil	0.0%	
		Lighting a fire in the open		N	\$60.00	20.0%	\$100.00	66.7%	
		Builders construction of temporary vehicle crossing		N	\$111.00	2.8%	\$114.00	2.7%	
		Tapping into Council drain		N	\$55.00	0.0%	\$56.50	2.7%	
		Road opening		N	\$111.00	2.8%	\$114.00	2.7%	
		Bringing a horse or donkey		N	\$25.00	25.0%	\$25.50	2.0%	



Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget	
					Price	% Increase	Price	% Increase
Local Laws (cont...)	Local Law Permit Fees (continued...) <i>Note: unless otherwise stipulated, these are annual permit fees.</i>	Erecting booth, stall scaffolding etc - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Erecting booth, stall scaffolding etc - for other purposes		N	\$150.00	50.0%	\$154.00	2.7%
		Placing signs, displaying or storing goods - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Placing signs, displaying or storing goods - for other purposes		N	\$30.00	50.0%	\$31.00	3.3%
		Placing signs, displaying or storing goods - annually		N	\$90.00	20.0%	\$92.50	2.8%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for other purposes (<=7 days)		N	\$15.00	-70.0%	\$15.50	3.3%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for other purposes (annual permit)		N	\$50.00	0.0%	\$51.50	3.0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for other purposes		N	By arrangement	0.0%	By arrangement	0.0%
		Filming within the Borough - Feature Films & Commercials - First day		N	\$250.00	0.0%	\$256.50	2.6%
		Filming within the Borough - Feature Films & Commercials - Subsequent day(s), per day		N	\$100.00	0.0%	\$102.50	2.5%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - First day		N	\$200.00	0.0%	\$205.00	2.5%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - Subsequent day(s), per day		N	\$100.00	0.0%	\$102.50	2.5%
		Filming within Borough - Commercial Stills Photography - First day		N	\$150.00	0.0%	\$154.00	2.7%
		Filming within the Borough - Commercial Stills Photography - Subsequent Day(s), per day		N	\$50.00	0.0%	\$51.50	3.0%
		Filming within the Borough - Small Scale Television Productions - First day		N	\$100.00	0.0%	\$102.50	2.5%
		Filming within the Borough - Small Scale Television Productions - Subsequent day(s), per day		N	\$50.00	0.0%	\$51.50	3.0%
		Filming within the Borough - Productions for Charities		N	By arrangement	0.0%	By arrangement	0.0%
		Using a crane, hoist or movable platform etc		N	\$150.00	50.0%	\$154.00	2.7%
		Fly an engine powered model airplane		N	\$30.00	50.0%	\$31.00	3.3%
		Landing a helicopter - weekdays 9am-5pm		N	\$70.00	16.7%	\$100.00	42.9%
		Landing a helicopter - week nights and all day Saturday		N	\$195.00	0.0%	\$200.00	2.6%
		Landing a helicopter - all day on a Sunday		N	\$240.00	0.0%	\$300.00	25.0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget	
					Price	% Increase	Price	% Increase
Local Laws (cont...)	Local Law Permit Fees (continued...) <i>Note: unless otherwise stipulated, these are annual permit fees.</i>	Removing paint, painting or repairing a vehicle or boat in a public place - per permit		N	\$150.00	50.0%	\$1,000.00	566.7%
		Place a skip - accredited & have insurance - per week		N	\$30.00	50.0%	\$31.00	3.3%
		Place a skip - non-accredited - per week		N	\$80.00	60.0%	\$82.00	2.5%
		Events - local law - weddings		N	\$100.00	33.3%	\$102.50	2.5%
		Events - local law - major event (promote or conduct an event for which an entry fee is charged or which is intended to make a profit)		N	By arrangement	0.0%	By arrangement	0.0%
		Conduct a road activity - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Conduct a road activity - for other purposes		N	\$50.00	0.0%	\$51.50	3.0%
		Camping or keeping a caravan in a public place - per day (NIL for the first 6 weeks)		N	\$27.00	12.5%	\$27.50	1.8%
		Special uses and events		N	By arrangement	0.0%	By arrangement	0.0%
		Street appeals - for charitable purposes		N	Nil	0.0%	Nil	0.0%
		Street appeals - for other purposes		N	\$100.00	0.0%	\$102.50	2.5%
		Consumption of liquor		N	Nil	0.0%	Nil	0.0%
		Itinerant trading (roadside vendors)		N	By arrangement	0.0%	By arrangement	0.0%
		Failure to comply with a notice to comply (three penalty units)		N	\$387.00	3.0%	\$423.00	9.3%
	Parking Fines - per infringement	Minimum fee	Legislated	N	\$54.00	0.0%	\$54.00	0.0%
		Medium fee	Legislated	N	\$70.00	0.0%	\$70.00	0.0%
		Maximum fee	Legislated	N	\$116.00	0.0%	\$116.00	0.0%
		Courtesy letter fee	Legislated	N	\$21.00	0.0%	\$21.00	0.0%
	Fire Hazard Charges	Failing to comply with a fire prevention notice	Legislated	N	\$234.00	0.0%	\$1,410.00	502.6%
		Failing to obtain a permit to conduct road opening	Legislated	N	\$530.00	0.0%	\$530.00	0.0%
Local Laws (cont...)	Animal Infringements	Dog not on lead in public place	Legislated	N	\$129.00	3.2%	\$141.00	9.3%
		Dog wandering at large, day time		N	\$185.00	2.8%	\$211.00	14.1%
		Dog wandering at large, night time		N	\$248.00	2.9%	\$282.00	13.7%
		Failure to register a dog or cat		N	\$248.00	2.9%	\$282.00	13.7%
		Registered dog or cat not wearing tag		N	\$63.00	3.3%	\$70.00	11.1%
		Unregistered dog or cat wearing a tag		N	\$63.00	3.0%	\$70.00	11.1%
		Contravening council order regarding dogs or cats in public place		N	\$63.00	3.3%	\$141.00	123.8%
		Dog or cat being a nuisance		N	\$63.00	3.3%	\$70.00	11.1%
		Cat at large or not securely confined to owners premises		N	\$63.00	3.3%	\$141.00	123.8%
		Greyhounds not muzzled or chain outside owners premises		N	\$185.00	2.8%	\$211.00	14.1%
		Non compliance of order to abate nuisance		N	\$185.00	2.8%	\$211.00	14.1%
Boat Ramp Fees	All	Casual (day use) pass		Y	\$10.00	0.0%	\$10.00	0.0%
	Resident	Annual pass		Y	\$112.00	2.8%	\$115.00	2.7%
	Non Resident	Annual pass		Y	\$175.00	2.9%	\$180.00	2.9%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2012/13 Actual / Forecast		2013/14 Budget	
					Price	% Increase	Price	% Increase
Caravan Park Fees	Go Lightly (based on 2 adults & 4 children)	Annual fees - A		Y	\$7,100.00	10.1%	\$8,275.00	16.5%
		Annual fees - B		Y	\$6,400.00	10.0%	\$7,560.00	18.1%
		Annual fees - C		Y	\$6,100.00	10.2%	\$7,250.00	18.9%
	Recreation Reserve (based on 2 adults)	Annual fee		Y	\$5,060.00	24.6%	\$5,185.00	2.5%
	Victoria Park (based on 2 adults)	Annual fee		Y	\$5,060.00	24.6%	\$5,185.00	2.5%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 30 April)		Y	\$3,832.00	14.0%	\$3,925.00	2.4%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 31 March)		Y	\$3,330.00	8.8%	\$3,410.00	2.4%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 28 February)		Y	\$2,640.00	21.6%	\$2,705.00	2.5%
	Victoria Park & Royal Park	Seasonal Permit (26 December - 31 January)		Y	\$1,731.00	-4.7%	\$1,775.00	2.5%
	Victoria Park & Royal Park	Seasonal Permit (1 February - 30 April)		Y	\$1,665.00	-7.7%	\$1,705.00	2.4%
	Victoria Park & Royal Park	Seasonal Permit (1 February - 31 March)		Y	\$1,162.00	-0.5%	\$1,190.00	2.4%
	All Parks - additional persons	Annual fee - extra adult		Y	\$118.00	2.6%	\$121.00	2.5%
		Annual fee - extra child		Y	\$61.00	3.4%	\$62.50	2.5%
		Casual - per night - extra adult		Y	\$13.00	8.3%	\$14.00	7.7%
		Casual - per night - extra child		Y	\$8.00	14.3%	\$9.00	12.5%
		(seniors discount 10% casual extras)						
	Casual - per night	Peak (15 Dec to 30 Jan)		Y	\$52.00	2.0%	\$54.00	3.8%
		Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$37.00	2.8%	\$38.00	2.7%
		Off Peak (1 May to 31 Oct)		Y	\$32.00	3.2%	\$33.00	3.1%
	Cabins - per night	New Cabin - Peak (15 Dec to 30 Jan)		Y	\$235.00	3.1%	\$241.00	2.6%
		New Cabin - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$179.00	2.9%	\$183.00	2.2%
		New Cabin - Off Peak (1 May to 31 Oct)		Y	\$158.00	3.3%	\$162.00	2.5%
		Old Cabin ("Whale") - Peak (15 Dec to 30 Jan)		Y	\$139.00	3.0%	\$143.00	2.9%
		Old Cabin ("Whale") - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$118.00	2.6%	\$121.00	2.5%
		Old Cabin ("Whale") - Off Peak (1 May to 31 Oct)		Y	\$103.00	3.0%	\$106.00	2.9%
		Old Cabin ("Sardine") - Peak (15 Dec to 30 Jan)		Y	\$124.00	3.3%	\$127.00	2.4%
		Old Cabin ("Sardine") - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$103.00	3.0%	\$106.00	2.9%
		Old Cabin ("Sardine") - Off Peak (1 May to 31 Oct)		Y	\$93.00	3.3%	\$96.00	3.2%
		Additional Person		Y	\$15.00	0.0%	\$16.00	6.7%
	Other Charges (applies for all sites)	Cancellation Fee		Y	\$50.00	0.0%	\$50.00	0.0%
		Late Checkout Fee		Y	\$10.00	0.0%	\$10.00	0.0%
		Laundry Charges - Washing Machine		Y	\$3.00	0.0%	\$4.00	33.3%
		Laundry Charges - Dryer (per 15 minutes)		Y	\$1.00	0.0%	\$2.00	100.0%
		Bags of Ice (per bag)		Y	\$3.00	0.0%	\$3.00	0.0%